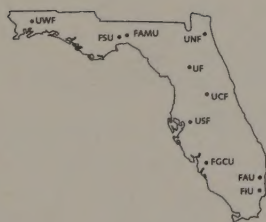


Authoritarianism and Corporatism in Latin America—Revisited



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Authoritarianism and Corporatism in Latin America —Revisited



Edited by Howard J. Wiarda

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Preface

The year 2002 marked the twenty-fifth anniversary of the publication of the path-breaking, theoretically and conceptually rich, and highly influential volume *Authoritarianism and Corporatism in Latin America*, edited by James Malloy. In that same year, as well as in 2003 and 2004, we celebrated the thirtieth anniversary of the pioneering and well-known comparative and theoretical work on corporatism by Martin Heisler, Philippe Schmitter, and others. In addition, at the real-politics level, we have seen a revival of all the themes that these authors richly discussed: authoritarianism (in Peru, Venezuela, Ecuador, Paraguay, and other countries) after a decade or two of democratic resurgence, and corporatism albeit in new, mixed, often transmuted forms. For these reasons, a new look at these important themes is called for.

In recent years, scholars and policymakers alike have been captivated by the transitions-to-democracy approach. Moreover, the assumption has been widespread that, if authoritarianism was disappearing in Latin America as democracy advanced, corporatism, with which authoritarianism was often closely associated (in the title and approach of Malloy's book, as well as in the transitology literature) would disappear as well. But this phenomenon has not happened in most cases; in fact, corporatism has often continued even in democratic regimes. This surprising development leads our authors to suggest a rethinking of the entire transitions-to-democracy approach and to advance new and more complex models. The book, therefore, not only provides a fresh and innovative look at some key countries and issues but makes a significant theoretical contribution to analysis and interpretation as well.

The literature mentioned prominently above on corporatism and authoritarianism pioneered both as a body of major theoretical work and

as a study of real-life, existing Latin American society and politics. Moreover, the themes of authoritarianism and corporatism provided some of the major approaches (along with developmentalism, dependency theory, and now democratization) in the fields of Latin American politics and comparative politics over the last twenty-five or thirty years. In virtually every textbook in these fields, corporatism and authoritarianism (often referred to as “bureaucratic-authoritarianism” or “BA”) were prominently discussed and the major works cited.

But times have changed; now it is time for a revisiting of these concepts. All of these main approaches are still alive and well and still undergirding much of scholarly research and discussion, even while many individual scholars, now accepting these concepts as part of their work, have gone on to newer approaches and more empirically based research. Democratization *has* occurred in Latin America, but many of the older institutions and practices, including authoritarianism and corporatism, are still present.

The content, subject matter, and circumstances have now changed, often dramatically, requiring an entirely new approach and concept. What has happened to the tradition and institutions of Latin American authoritarianism in the context of transitions to democracy? How has corporatism been changed, remodeled, or even dismantled in a context of free, or freer, associability? What do we do with mixed systems such as Mexico, Brazil, or Peru, where authoritarianism and corporatism on one hand and liberalism and democracy on the other coexist and overlap in complex ways? Or those countries of Central America that have moved to dismantle corporatism at least formally at the national level even while at the local level recreating it in new guises to regulate NGOs (nongovernmental organizations) and civil society? Or Chile, where the armed forces still have corporate representation (and questionable immunities—witness the Pinochet case) in the senate? In so many ways, corporatism and authoritarianism have not been vanquished in Latin America even if democracy and liberalism have emerged; indeed, an interesting question is whether, given the current decline of support for democracy, authoritarianism and corporatism are now reemerging and restrengthening. Or are we seeing new, mixed, crazy-quilt forms that seek to combine democracy and corporatism?

This book follows the general format of the earlier Malloy volume,

even while incorporating new authors and fresh approaches, giving the subject matter a new focus, wrestling with the complex and provocative questions raised above, streamlining the book somewhat, and making it more readable. The book employs a combination of theoretical and empirical country cases or comparative studies. But the subject areas are all new and particularly exciting: the changing role of the state and its relation to corporate groups in Latin America, corporatism and civil society and NGOs, dismantling corporatism in some countries, balancing it with liberalism in others, the resurgence of authoritarianism and populism in Venezuela, and so on. All the important countries are covered either individually or comparatively.

The editor wishes to thank the authors who pioneered in these innovative conceptual fields, especially James Malloy. For a long time the Malloy volume was required reading in almost all Latin American/comparative politics seminars; we have sought to recapture here the innovative spirit and theoretically and empirically innovative contributions in that volume, even while going off in new and, we hope, exciting and pioneering directions of our own. In the course of thinking about and preparing this volume, we wrote to Jim both to get his permission for the enterprise and to see if he wished to be a coeditor or contributor, but alas he declined.

We are all grateful to Professor Malloy for his extraordinary work. The editor also wishes to thank his research assistant, Rebecca Root, for her contributions, which include the suggested readings in the bibliography, Doris Holden for her superb word-processing and editorial skills, and editors Susan Fernandez and Amy Gorelick of the University Press of Florida. Any remaining problems with the book are the responsibility of the authors and the editor.

Howard J. Wiarda

Introduction

Whatever Happened to Corporatism and Authoritarianism in Latin America?

Howard J. Wiarda

Paradigms and Paradigm Shifts

During the 1970s, when some of the early pioneering studies of authoritarianism and corporatism appeared, it seemed to many scholars that these features might be permanently entrenched in the Iberian and Latin American political process, so deeply embedded in the history, culture, sociology, and political institutions of the area that little change was possible.¹ After all, Francisco Franco in Spain, Antonio Salazar in Portugal, Alfredo Stroessner in Paraguay, the Somozas in Nicaragua, and the Revolutionary Institutional Party (PRI) in México had already been in power for three, four, or more decades; and the generals and colonels then in power in Brazil, Chile, Uruguay, Bolivia, Ecuador, Panama, Honduras, Guatemala, and El Salvador—virtually everywhere—seemed determined to follow that model. Many scholars at the time wrote pessimistically about Latin America, seeing little hope for democracy and pluralism and predicting the long-term persistence of authoritarianism and corporatism.

That pessimism, we now know, was overstated and overly deterministic; whether it was also wrong as interpretation is at the heart of the argument in this book. For beginning in the late 1970s, many Latin American countries shed their authoritarian regimes and began an impressive series of transitions to democracy. Today nineteen of the twenty countries—all except Cuba—are at least formally democratic.

Accompanying these democratic transitions was a paradigm shift in

the way we think about and analyze Latin American politics and political systems. The 1970s had been a decade in which the corporatism-authoritarianism paradigm, reflecting the presence of so many military regimes, was dominant; but by the 1980s it had been replaced by a new paradigm, the transitions-to-democracy approach. Two major, and as it turned out overly large and inaccurate, assumptions were involved in this paradigm shift. The first is that democracy had completely and definitively replaced authoritarianism and corporatism as the major, perhaps the only, institutional arrangement in Latin America. The second is the close association, including that made in the earlier Malloy book, between authoritarianism and corporatism. If authoritarianism, at least at the national political level, was disappearing in Latin America and was now replaced by democracy, then corporatism, presumably intrinsically connected to authoritarianism, would be disappearing as well, to be replaced by a regime of unfettered liberalism, pluralism, and free associability.

It has not quite worked out this way. Latin American democracy is in deep trouble in almost all countries of the region. While we have formal or electoral democracy in most countries, we do not have genuinely liberal or pluralist democracy. Corporatism persists in new forms; demands for "strong government" or authoritarianism are again on the rise; there have been numerous recent coup attempts; discontent and disillusionment with democracy are widespread. Within the transitions-to-democracy paradigm, these problems have led to a focus on the "problems of democracy" and the need to "consolidate" and "institutionalize" it. Most of the authors of this book have no problem with that approach as wish, hope, and prescription; we too want democracy in Latin America to succeed.

But this book's analysis tends to suggest that the shift from the corporatism-authoritarianism to the transitions-to-democracy paradigm was too abrupt. We, in fact, find a great deal of continuity in Latin America between the earlier and the present eras. We find the persistence of corporatist and authoritarian forms and practices even in the new, supposedly democratic era. We tend to see not just the "problems of democracy" but, viewing the issues through another lens, the maintenance of earlier corporatist and authoritarian or top-down practices and institutions even while the outward forms have changed. Our inclination, therefore, is to say to the advocates of the transitions-to-democracy paradigm, "Whoa!" and "Not so fast."

While we are also hopeful for democracy in Latin America and are impressed by the progress made so far, analytically we believe that a proper understanding of both the area's democratic accomplishments and its travails requires the combined use of *both* the older corporatism-authoritarian framework and the newer democracy one. For both are present within the region in mixed, fused, often overlapping forms. And our understanding of the area needs to reflect this complexity, the crazy-quilt patterns and halfway houses that exist. Hence, while we are encouraged by Latin America's progress toward democracy and believe the transitions-to-democracy paradigm useful, we find such an approach needs to be complemented by an understanding of the corporatism-authoritarianism approach, whose echoes still ring powerfully in virtually every country of the area. We do not want our wishes for Latin America—democracy, pluralism, free associability—to get ahead of the hard realities that exhibit more mixed forms.

Authoritarianism and Corporatism in the Interpretation of Latin American Politics

Authoritarianism and corporatism have a long history in Latin America and in our interpretations of the area as well. We all understand, more or less, what authoritarianism means: top-down, absolutist, dictatorial control by one person, a military regime, an elite, or, as in Mexico for seventy years, a monopolistic political party. Corporatism is a little harder and more controversial concept to define: generally, it means the organization of society by functional groups—military, business, the church, organized labor—rather than on an individualistic basis and, instead of genuine pluralism, autonomy, and freedom of association, the organization, regulation, and *control* of these groups under state authority. It will be readily apparent that these two features are often closely related; included in the roster of controls in a dictatorial or authoritarian regime is usually tight control over the country's social, political, and interest groups.²

Authoritarianism and corporatism have long been present in the structures and practices of Latin American government and politics. Prior to independence, the Spanish and Portuguese colonial systems were extremely authoritarian, with power flowing hierarchically from the king down to his subjects in an absolutist fashion, with virtually no grassroots participation from below³—quite in contrast to the thirteen colonies in

North America, where the seeds of popular representation, democracy, and political and civil rights had already been planted. Latin American independent history in the nineteenth century is similarly replete with examples of dictatorial and authoritarian regimes: Juan Manuel de Rosas in Argentina, Antonio López de Santa Anna in Mexico, Ulises Heureaux in the Dominican Republic, and many others. Latin American corporatism also goes back a long way to the medieval feudal system of estates and group rights (*fueros*) established in Spain and Portugal, and to the non-individualistic or corporate character of the colonial system dominated by royal authority, the Roman Catholic Church, the occupation military forces, the colonial bureaucracy, and the emerging quasi-feudal landed oligarchy. Similarly, in the nineteenth and early twentieth centuries, Latin America was governed ostensibly by republican constitutions but *de facto* by such powerful corporate groups as the “unholy trinity”—the Church, the army, and the oligarchy.⁴

In the twentieth century, beginning in the 1920s and 1930s under the impact of the world depression which helped undermine the older oligarchic system, along with industrialization, economic development, and vast social changes, Latin America began to democratize and become more pluralistic. But then successive waves of military coups hit the area, giving rise to widespread doubt that Latin America could ever leave behind its authoritarian and corporatist past and move into a new era of democracy, pluralism, and individual human rights. Only in the last twenty-five years has Latin America begun to practice democracy again, repudiating the dictatorial and human-rights-abusing regimes of the most recent authoritarian wave. Today all the countries but Cuba are democratic—at least formally—in law and constitution.⁵

But that is precisely the issue explored here: Just how democratic is Latin America? Has it put its authoritarianism and corporatist practices and institutions in the past, or are they likely to reemerge in the not too distant future? Related is the question of whether Latin American history is cyclical—with dictatorships giving rise to a longing for freedom, then democracies proving chaotic and/or ineffective and evoking a desire for the stability and order of an authoritarian regime again—or evolutionary, becoming more pluralist over time and developing a stronger base for democracy that renders the present wave of freer regimes permanent. Another question explored in considerable detail here is whether Latin America practices various mixed or mosaic forms, partly democratic, par-

ticularly on the surface (regular elections, political parties, separation of powers), but with hidden or disguised forms of authoritarianism and corporatism continuing underneath.

These issues are particularly poignant in the present circumstances. Despite some twenty years now, for most countries, of the renewed practice of democracy in the so-called Third Wave, coupled with academic analyses of Latin American democratization that are often more celebratory than coolly analytic, democracy in Latin America is in deep trouble. Most countries still practice formal democracy, but they are often *illiberal* democracies in actual practice. Ecuador, Paraguay, and Haiti have all had military coups or coup attempts in the last several years, and in 2001 Argentina saw its elected government overthrown by street demonstrations. Throughout the hemisphere public support for democracy is declining, from 80–90 percent around 1990 to 50–60 percent today. In some countries—big, important Brazil as well as Ecuador, Paraguay, and Haiti—support for democracy is now dangerously below 50 percent.⁶ Many of these voters see democracy as ineffective, as not delivering on promised social and economic development; at the same time, support for “strong government”—which may be a prelude to authoritarianism—is way up. Both Peru’s absolutist Alberto Fujimori and Venezuela’s populist Hugo Chávez were products of this longing for what Guillermo O’Donnell calls “delegative democracy” (and others have called limited, controlled, or “Bolivarian” democracy): elected governments and representative regimes that thus preserve their democratic credentials but in the interim between elections will “delegate” decision making to absolutist leaders or “imperial” presidents who rule without much respect for legislatures, courts, or oftentimes basic freedoms.⁷

And then there is the Argentine case. Here we have probably the most literate, most developed, most urban, most sophisticated, most middle class of all the Latin American countries. By all our usual social science indicators, Argentina should therefore be the most stable and democratic country of the hemisphere. Yet in 2001 the Argentine economy went into a tailspin; its society began to unravel; its democratically elected government was forced to resign, producing the comic-opera spectacle of five presidents in two weeks; chaos and violence ruled in the streets; and the upshot was that the person who *lost* the last presidential election was selected in a nondemocratic process to succeed to the presidency. It is like saying that, when President Bill Clinton was impeached and his popular-

ity declined, he should have been replaced by the man who had lost to him in 1996, Bob Dole! What kind of a democracy is that? If Argentina is the most developed, the most modern of the Latin American countries, we should expect it to be the most stable, the most democratic. But clearly it is not. So we need to raise this troubling question: Does Argentina's chaos, fragmentation, instability, and ungovernability provide us with a picture and "model" of the future of the other, less developed countries of the area, and not the model of democracy that most of us fervently desire for the continent?⁸

Definitions

Definitions can sometimes be dull, boring, and uninteresting, but we need to go through them in order to make sure that we know what we are talking about, that we are clear, and that we are in agreement on the basic terms used. Let us begin with a definition of democracy. Democracy is not the main focus of this book, but in order to understand its opposites—dictatorship, authoritarianism, and corporatism—we need also to be clear as to what democracy means.⁹

Most definitions of democracy, particularly in American political science, emphasize the procedural and institutional bases of democracy. For example, in his classic book *Capitalism, Socialism, and Democracy*, Joseph Schumpeter defined democracy as a system "for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote."¹⁰ In another classic, *The Third Wave: Democratization in the Late Twentieth Century*, Samuel P. Huntington echoed Schumpeter in his emphasis on competitive elections as the essence of democracy.¹¹ Similarly, in *Polyarchy*, perhaps the best current analysis of democracy, Robert Dahl reiterated but then amplified the institutional definition: (1) a system of organized contestation through regular, free, and fair elections; (2) the right of virtually all adults to vote and contest for office; and (3) freedom of the press, assembly, speech, petition, and organization.¹² Later, Dahl expanded his definition to encompass eight criteria: (1) freedom to form and join organizations, (2) freedom of expression, (3) the right to vote, (4) eligibility for public office, (5) the right of political leaders to compete for support, (6) alternative and diverse sources of information, (7) free and fair elections, and (8) institutions to make government policies depend on votes and other expressions of popular preference.¹³

It is possible to quarrel with this definition in various particulars, but here I do not wish to do so in any great detail. I will say, however, that while I believe elections are crucial to democracy, I believe other things are also important, hence the need for an expanded, more ample definition. For example, (1) this definition is strongly reflective of U.S. and Western European-style democracy, but I would want to see some adjustment for Third World and non-Western practices, such as consultation processes and definitions of rights that are not Western-derived; (2) in addition to elections, I would like to see such political-cultural factors as trust, civility, tolerance, and mutual respect for differences built into the definition; and (3) the argument can be, and often is, made that social and economic democracy and/or egalitarianism also needs to be factored into democracy's definition. We remain open to all these suggestions, but they are not fundamental to the immediate issue here.

For our purposes, the working definition of democracy offered here is useful in two ways. First, with its emphasis on fair, honest, competitive elections, contestation, and other basic rights, this definition enables us to sharply distinguish democracy from dictatorship, authoritarianism, and totalitarianism, as we shall see below. Second, with its emphasis on freedom of assembly, association, and organization, the freedom to form and join organizations, and what in the literature is called "free associability," we can also distinguish democracy from corporatism, one of whose definitions includes state regulation and often control of interest-group activity.

With regard to authoritarianism, we need to make several points. First, authoritarianism is a form of dictatorship, of absolutism, of tyranny. It implies concentrated power in the hands of one man, a clique, an elite group, military officers, or a party, as distinct from the dispersed, competitive, pluralistic power found in a democracy.

Second, authoritarianism, when present, is not usually just limited to the top of the political pyramid but is often apparent throughout society, at local, social and familial, and regional levels as well as national ones. Husbands may exercise authoritarian control over their wives, fathers over their children, landowners over peasants, elites over masses, and local godfathers, *caudillos* (men on horseback), or mayors over their people. It is *possible* for the top of the leadership hierarchy to be authoritarian and dictatorial while the society underneath is democratic, but the general pattern is that authoritarianism at the top usually reflects a society that is also authoritarian at other and lower levels. I recall how one poli-

tician in the Dominican Republic put it during a campaign speech while waving a cattle prod in the air: "I need authority for my cattle and I will need authority for my people!" The audience of peasants and cane cutters cheered. In other words, authoritarianism is often societywide and a cultural phenomenon, not just limited to one man, the dictator, or the political structure. Or, as one Dominican historian, speaking of his country's bloody former dictator, told me, "You have to remember, Howard, that there is a little of Trujillo in every Dominican."

Third, authoritarianism is the product of a certain kind and level of development in society, of traditionalism and often of the transition to modernity. One can easily see why authoritarianism is prevalent in traditional societies: it is often the time-tested way of social and political life; it often reflects widespread existing social and political norms; and in societies without other strong institutions, there may be no alternative—no democratic option, for example. But for societies in transition, such as most of those in Latin America, the issue becomes more complicated.¹⁴ In this phase democracy is often preferred in the abstract or as an ideal, but the reality is that democratic institutions are still weak; they fail often to deliver on their promises of social and economic reform; and they may give rise to gridlock, instability, the chaos of street demonstrations, hence ungovernability and the reluctant desire for order, discipline, and "strong government"—that is, authoritarianism. It should not be entirely surprising, therefore, that in the transitional political systems of Latin America we find mixes, overlaps, and sometimes crazy-quilt patterns of democracy *and* authoritarianism, both present at the same time or perhaps alternating in power.

Fourth, we need to distinguish between authoritarianism and totalitarianism.¹⁵ Authoritarianism is a product either of traditionalism or of the transition away from tradition, of the need for order and authority during the breakdown of older forms of authority but before newer and hopefully more democratic forms have had a chance to become consolidated. In Weberian terms, authoritarianism is an intermediary or "charismatic" stage between older, hidebound forms of familial, tribal, or elite authority and the newer rational-legal and participatory systems of democracy.¹⁶ But totalitarianism is also a product of modernity, of technology, of modern communications and thought-control techniques, and of modern bureaucratic methods of control. Various Latin American regimes—Juan Perón in Argentina, Rafael Trujillo in the Dominican Repub-

lic, Fulgencio Batista in Cuba, Alfredo Stroessner in Paraguay, Augusto Pinochet in Chile, Anastasio Somoza in Nicaragua—may be viewed as transitional between traditional authoritarianism and modern totalitarianism, precisely because they have presided over societies going through the transition from tradition to modernity and are thus able to take advantage of modern methods to impose even greater or near-“total” control.¹⁷

Finally, authoritarianism needs to be seen as a syndrome of traits, changing over time, but clearly distinguishable from both democracy on one hand and totalitarianism on the other. In Juan Linz’s famous formulation (his specific case study was Franco’s Spain),¹⁸ authoritarianism consists of:

1. Limited pluralism, without either the full pluralism of democracy or the total control of totalitarianism;
2. No elaborate or guiding ideology as in totalitarianism, but a “distinctive mentality” (conservative, Catholic, emphasizing discipline, order, and patriotism) that is not tolerant or democratic;
3. No intensive political mobilization as in totalitarianism, but only limited opposition allowed, if any, and certainly no democratic participation;
4. Power concentrated in a leader or small group and exercised from the top down—not totalitarian power, but certainly not democratic either.

We are now in a position to see where corporatism fits into this system. For corporatism is often one additional instrument of state, authoritarian, or dictatorial control, since it implies state or governmental licensing, regulation, and ultimately control of all social or interest groups in the society and their subordination to regime authority. In this respect, corporatism also stands in contrast to, and intermediary between, totalitarianism on one side and democracy on the other. In its licensing and regulatory functions it is usually not so extreme as totalitarianism, but neither does it allow the unfettered, virtually unregulated, and almost anarchic play of American-style interest-group pluralism.

In the literature, corporatism has been subjected to conflicting definitions and interpretations, which probably have as much to do with the conflicting orientations and even egos of the scholars involved as with any disagreement over the substance. Thus Philippe Schmitter, largely on the

basis of his studies of the authoritarian regimes of Getúlio Vargas in Brazil and Antonio Salazar in Portugal, writes: "Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports."¹⁹ This is a useful, if overly long and awkward, definition; note especially that it is not tied to any one geographic or culture area.

In contrast, while also searching for a global or universal definition, I have been mainly concerned with the emergence and particular form of corporatism in southern or Mediterranean Europe (Greece, Italy, Portugal, Spain) and Latin America, and have sought to locate the origins of that system, at least in part, in the culture and history, the class structure, and the political sociology of ancient Greece, Roman law, medieval Christianity, the Italian-Spanish-Portuguese system of estates and medieval guilds or "corporations," and the carryover of these features from feudal Spain and Portugal to Latin America.²⁰ The definition I have arrived at derives from historical-cultural and political-sociological or structural features and is, in fact, quite similar to Schmitter's, involving a syndrome of traits:

1. A strong tradition of functional, communalist, or group organization of society, as compared with American-style individualism;
2. A strong, directing, mercantilist, Colbertian, authoritative state, as contrasted with the weak state tradition in the United States;
3. Restrictions on interest-group activity, requirements of state recognition of interest groups ("juridical personality"), limits on or control over (in authoritarian regimes) group activity, as compared with the free associability of U.S. interest-group activity;
4. Incorporation (often co-optation) of functional/interest groups into and as part of the state system, with responsibility both for representing members' interests in and to the state and for helping the state administer and implement policies, in contrast to the independence of interest groups from the state under liberalism.²¹

Although Schmitter's definition of corporatism seems, in the use of such language as "singular," "compulsory," "noncompetitive," "hierar-

chically ordered,” and “monopoly,” to be keyed mainly to its authoritarian forms—a feature for which it has been widely criticized—in his distinction between “state” (dictatorial) and “societal” (democratic, participatory) corporatism he makes an important contribution that enables us to find forms of corporatism in both authoritarian and democratic systems. Similarly, while my own early work on corporatism in the 1960s and 1970s during the height of the wave of military dictatorships in Latin America associated it with authoritarianism, my later work on how corporatism evolves and is transformed helps explain how it persists in transitional and even democratic regimes as well.²²

The main points to note are (1) how close these two formulations, one a formal definition, the other a syndrome of traits, are to each other; and (2) how both scholars came to see corporatism as present—in different forms, to be sure—in both authoritarian and democratic regimes. These common points of departure in the main theoretical literature help us understand one of the main points of this book: that corporatism, while often associated with authoritarianism, may also be present in revised form in transitional, democratic, and various other kinds of regimes as well. And that point helps us understand both the continuing vicissitudes of democracy in Latin America and the persistence of corporatism even in today’s more open, pluralistic regimes.

History and Sociology of a Concept

The history and sociology of authoritarianism as a concept are familiar and relatively easy to trace;²³ indeed, its terms have become an everyday part of our language. Michigan State University’s Spartans derive their name from the strong, authoritarian ancient Greek city-state of Sparta, which is placed in contrast with democratic Athens. The Greeks also invented the word *tyranny* to describe a corrupted form of monarchy; *Caesarism*, or absolute personal rule, comes to us from ancient Rome; *despotism*, whether enlightened or otherwise, comes to us from the Middle Ages as a way of describing monarchs who run amuck; *Bonapartism* often refers to transitional, charismatic leaders who seize power and ride roughshod over constitutional guarantees. In Latin America there is a long tradition of dictators, *caudillos*, and men on horseback. In other countries and cultures, *czar*, *shah*, *sultan*, and *chief* are the terms often used.

All of these are more or less traditional forms of authority. Typically,

they employ military and political methods of control and occasionally some economic and social controls. But none of these earlier forms of authoritarianism employs the modern or technologically conditioned methods of today's totalitarianism: thought control, brainwashing, terrorism, mass propaganda, mass mobilization. Totalitarianism is thus something new, a product of the twentieth century and of modern technology and organizational models.²⁴ Most Latin American dictatorships have been of the traditional or authoritarian rather than totalitarian kind, although, as the area has modernized, some regimes have also employed totalitarian techniques.

Corporatism is a less familiar concept to most of us, and more complicated. Quite a number of authors trace its origins back to societies that are communalistically or group organized, into tribes, castes, clans, extended families, localities, ethnicities, and other basic societal conglomerates, as distinct from the individualism of the United States. These communal groups are often said in the literature to be the earliest or "natural" corporate units of society, organic and integral to it. A related distinction is between societies or, later, countries that are organized by functions—military, rulers, priesthood, artisans, peasants—with their system of representation similarly based on these functional groups, and the North American conception, again highly individualistic, of one person, one vote.²⁵

The ancient Greeks, for example, divided society both by functional groups (soldiers, priests, laborers) and by classes, which they assumed were "natural," a conception they used to justify a "natural" slave class.²⁶ Ancient Rome greatly elaborated the Greek conception, evolving a more complex system with larger numbers of social and functional groups, giving them a legal basis, providing for the juridical recognition of such groups by the state, and organizing a corporate or group basis of representation.²⁷ In the Middle Ages, especially in the writings of Saint Thomas Aquinas and other Catholic theologians, this system of class hierarchies and (nonindividualistic) functional representation acquired a Christian and, therefore, immutable legitimacy.²⁸

Patterning themselves after ancient Rome but turning the Roman system into a Christian conception, medieval Spain and Portugal were similarly organized on both a class and a functional or corporate basis. The main classes or "estates" were the nobility, the clergy, and the commons, with numerous subclasses within these ranks. The principal corpora-

tions included the Church, the military, bureaucratic officials, the guilds, artisans, and craftsmen. It is apparent that some of these groups overlapped: the Church was both an estate and a corporation. It is this structure of a class- or estate-based *and* a corporate- or functionally based system of organization that Spain and Portugal carried with them to the New World.²⁹

In the Americas the colonial powers sought to replicate the only model known to them, the same class- and corporately based society that they had at home.³⁰ But Latin America was even less well organized than were the mother countries; distances and natural barriers such as the Andes or the Amazon Basin were vast; and the colonial capitals and administrative centers back in Europe were far away, all but incommunicado, and too distant for decrees or administrative procedures emanating from Madrid or Lisbon to have much or immediate effect. On the other hand, in the New World, Spain and Portugal found a new “natural” slave class in the form of the indigenous Indian population, and when that ran out or was decimated by disease, their colonies imported African slaves, who similarly formed the lowest rung of the Thomistic hierarchy. In addition, some of the larger indigenous civilizations were already organized on a class and corporatist basis (rulers, soldiers, priesthood, laborers) much like the Spanish and Portuguese colonial systems,³¹ so all the colonial powers needed to do was substitute their own elite and authoritarian governing structure at the top for the Indian one, meanwhile keeping the rest of the structure of Indian society intact. In this way the structure of the indigenous communities—similarly authoritarian and corporatist—reinforced the colonial structure brought over by Spain and Portugal. Obviously, this system would evolve and eventually change in various particulars over time, but what is striking is how little fundamental change occurred in this pyramidal, authoritarian, top-down, corporatist structure over the three centuries and more of colonial rule.

In 1776 the thirteen colonies in North America had their political revolution; in 1789 came the French Revolution; and two years later France abolished corporate privilege and the system of estates that went with it. It took some time for all these revolutions to arrive in Latin America, and when they did, they were in a very different form. First, the Latin American revolutions for independence in the early nineteenth century were conservative revolutions, aimed at severing ties with the mother countries but at preserving the conservative, elitist, hierarchical society that had

been in place so long.³² Second, even though the laws and constitutions of the new Latin American countries proclaimed republican values and the separation of powers, in fact power remained concentrated, top-down, and often authoritarian.³³ Third, even though, following France, most of the Latin American countries eventually got around at least formally to abolishing corporate privilege, *de facto* the dominant groups in Latin American society throughout the nineteenth century remained the Church, the oligarchy, and, replacing royal authority and constituting perhaps the most corporatist of all groups, the newly created armed forces that would dominate so much of Latin American history throughout the nineteenth and twentieth centuries.³⁴

The history of Latin America in the nineteenth and early twentieth centuries was generally one of instability, disorganization, and very slow progress. This was due in part to underdevelopment, institutional weaknesses, inexperience in self-government, class and racial rigidities, and geographic barriers. But it was also due in part to the hodgepodge, confused, unresolved, coexisting, and overlapping nature of political institutions: democracy *and* authoritarianism, individualism *and* communalism, free associability *and* corporatism, *laissez-faire and* statism. Thus, while the laws and constitutions were republican and democratic, actual political practice was often oligarchic and authoritarian—or alternated between a liberalism that verged on chaos and an absolutism that was frequently brutal. Similarly, while these same laws proclaimed North American-style individualism, the actual power structure was usually elitist, organic, and corporatist.³⁵

Meanwhile, in Europe corporatism was going through a metamorphosis that, like these earlier ideas and political developments, would belatedly find expression and institutional form in Latin America. Immediately after the French Revolution and the 1791 law abolishing the medieval corporations, and for about fifty years thereafter, Catholic political thought was mainly reactionary, seeking to restore the pre-1789 status quo. But beginning about the mid-nineteenth century, along with the rise of industrialism and vast social change, Catholic thought began to deal realistically with “the social question”: the rise of organized labor and the need to integrate it into the political process. I have elsewhere treated these developments in greater detail than is possible here, but a brief summary of the main themes is needed here.³⁶ In contrast to the class-conflict theory of Marxism, Catholic theorists posited a social order in which

labor and business would coexist in harmony under the guidance and tutelage of the state. To advance this vision they created an organization of Workers Circles in many European countries, later transferred to Latin America, that rivaled the Marxian unions, and an institutional structure in which labor and employers could peacefully work out their differences. They called this ideological/political movement *corporatism*; clearly, while showing continuities with the past, this new form of corporatism was quite different from the earlier medieval form.

Corporatist theorists of the late nineteenth and early twentieth centuries thus sought to carve out a middle ground, a “third way,” between capitalism and socialism. Although there were Protestant and secular-bureaucratic forms of corporatism, its greatest influence was in the Catholic countries, which were strongly impacted by the papal encyclicals *Rerum Novarum* (1891) and *Quadragesimo Anno* (1931). These encyclicals, whose recommendations found their way into the constitutions and political systems of many European and eventually Latin American countries, called for the corporatist or functional organization of society, the incorporation of labor and other groups into the political process, but all this under state and/or religious control and auspices. It should also be said that while corporatism as here depicted sounds generally like a conservative political philosophy, there were left-wing versions as well (syndicalism, guild socialism), and even some corporatist influences in the United States in Franklin Roosevelt’s groups-oriented New Deal—for example, in the Works Progress Administration (WPA) and the Tennessee Valley Authority (TVA).

The corporatist movement grew slowly in the decades leading up to World War I. Then in the decades between World Wars I and II, under the impact of the perceived Bolshevik threat, the world depression of 1929 and thereafter, and the political crisis of the 1930s, it exploded onto the European stage. Virtually every government or regime in Europe adopted one or another form of corporation, either in whole or in part. These included Italy under Mussolini, Spain under Franco, Portugal under Salazar, Germany under National Socialism, Poland under Pilsudski, France under the Vichy regime, Greece under Metaxas, and eventually Hungary, Albania, Bulgaria, Estonia, Latvia, Belgium, Austria, Turkey, Ireland, Czechoslovakia, Lithuania, and Romania. Even those countries that remained generally democratic during the interwar period—Great Britain, the Netherlands, the Scandinavian countries—adopted limited forms of

corporatist organization or representation, later called “social” or “democratic” corporatism.³⁷

In the 1930s and 1940s corporatism spread to Latin America. As in Europe, one or another form of corporatist organization was adopted by virtually every regime, including those of Juan Perón in Argentina, Getúlio Vargas in Brazil, Carlos Ibáñez in Chile, Manuel Odría in Peru, Rafael Trujillo in the Dominican Republic, Laureano Gómez in Colombia, Velasco Ibarra in Ecuador, Jorge Ubico in Guatemala, Anastasio Somoza in Nicaragua, Arnulfo Arias in Panama, Alfredo Stroessner in Paraguay, Maximiliano Hernández in El Salvador, and Tiburcio Carías in Honduras. In addition, Mexico’s Revolutionary Institutional Party (PRI), Bolivia’s National Revolutionary Movement (MNR), Peru’s American Popular Revolutionary Alliance (APRA), and a whole host of others were organized on a corporatist or functional-group basis. Corporatism, often in combination with authoritarianism, seemed ubiquitous in both Europe and Latin America.³⁸

But with the defeat of fascist Germany and Italy in World War II, the more authoritarian forms of corporatism largely disappeared in Europe—although we know that quite a number of countries continued to practice a hidden or disguised form of corporatism. However, in Latin America, which had largely stayed out of World War II, corporatism continued to be practiced rather openly by most of the regimes named above, some quite blatantly and others without calling themselves corporatist. Or else they practiced a mixed form that included some liberal elements (competing political parties, regular elections, separation of powers) combined with corporatist ones—especially in the areas of state control over organized labor, social welfare legislation (by functional labor categories rather than generalized), and functionally representative councils of state. Samuel P. Huntington puts the time span of this authoritarian-corporatist period in Latin America as 1930–55.³⁹

From the mid-1950s until the early 1960s in Latin America, corresponding in the United States to the end of the Eisenhower presidency and John F. Kennedy’s Alliance for Progress, the area went through a brief democratic interlude. New and democratic political parties and interest groups were founded and public policies initiated. Regular elections were held and, for a time, the United States sought to support democracy against its authoritarian challenges. In the labor and social welfare areas as well as in the highest councils of government, however, corporatism

and elite functional and corporatist forms of representation often continued to be practiced.⁴⁰

Then, beginning in 1962 in Argentina, in 1963 in the Dominican Republic and Honduras, and in 1964 in Brazil came a new wave of authoritarianism. By the mid-1970s, fourteen of the twenty Latin American countries were under military-authoritarian rule and three others were governed by civilian authoritarians, leaving only Colombia, Costa Rica, and Venezuela as (more or less) functioning democracies. These military-authoritarian regimes moved to restore corporatism often, as in Chile under Augusto Pinochet, with a vengeance. Quite a number of them sought to resurrect the more blatant and ideological (as distinct from quiet or hidden) forms of manifest corporatism from the 1930s. In this they were sometimes inspired by a new, often depressing body of literature that suggested authoritarianism and corporatism were quite natural and functional in Latin America, perhaps inherently and permanently so.⁴¹

In the late 1970s, however, began the most recent, or “third wave,” redemocratization. Authoritarianism and corporatism were supposedly swept away by this new wave, banished by the so-called “Washington consensus” of democracy, open markets, and free trade. But were they? Is Latin America really fully democratic and, the reverse side of that coin, free from authoritarianism and corporatism? That is what this book is all about.

Key Questions

The “third wave” of democracy began in southern Europe (Greece, Portugal, Spain) in the mid-1970s and then spread to Latin America in the later 1970s and 1980s. It swept away many of the area’s repressive and authoritarian regimes and made it possible for democracy, submerged in most countries since the 1960s, to reemerge. By the 1990s nineteen of the twenty Latin American countries (Cuba was the exception) had governments that were elected and at least formally democratic. Similarly, the human rights situation in almost every country was considerably better than it had been a decade or two earlier. Hopes soared that democracy in Latin America might finally be not only reinstituted but consolidated as well.

The reemergence of democracy in Latin America was accompanied by

an outpouring of books and studies that analyzed the transitions to and the hoped-for consolidations of democracy—and that celebrated these trends. My own position is, of course, also to be supportive of democracy, but that should not blind us or lead us to ignore the difficulties involved, the hard realities of the area, and the sobering fact that Latin America has so far only incompletely democratized. Difficult issues and problems lay ahead, but some authors were so enamored of the democratization process that they closed their eyes to the weaknesses and fault lines remaining.⁴²

Particularly those who believed in an “institutionalist” interpretation of politics thought that if only Latin America could get its laws and constitutions right, develop political parties, hold elections, negotiate pacts among business, labor, and the state, then Latin America’s democratic future would be assured. This was a naive position, familiar throughout Latin American history, that the writing of beautiful laws and constitutions by itself was sufficient to secure democracy. We all understand, of course, that countries want to get their laws, constitutions, and institutions of government correct; but we should not be under any illusions that those steps by themselves and in the short run are determinative, or that “mere” laws are sufficient to change economic realities, social and class structure, political power realities, and underlying cultural norms. (The author recalls Guillermo O’Donnell once confessing at an International Political Science Association conference in Quebec City that, as an institutionalist, he had proven to be “completely wrong” and was now forced to rethink his views “in every way.”)

As we move into the twenty-first century, it is plain that Latin American democracy—and the Washington consensus that goes with it—is in deep trouble. Several countries have had coups or near-coups. Populist leaders like Alberto Fujimori in Peru or Hugo Chávez in Venezuela have ridden roughshod over the constitution and democratic procedures. Democracy throughout Latin America is widely perceived to be inefficient, corrupt, ineffective, and not delivering on its promises. Public support for democracy has dropped from 80–90 percent in the early 1990s to 50–60 percent in most countries today. In some cases—Ecuador, Paraguay, and big and important Brazil—support for democracy has dropped into the 40- and even 30-percent range. In most countries, support for what we think of as democracy’s essential institutional bases—parties, labor unions, legislatures—is down at 10–20 percent.⁴³ Under these conditions, democracy is unlikely to last long.

What went wrong? There are some obvious answers: the global economic downturn, institutional weaknesses, corruption, rigid social structures. But even more fundamentally, we believe, the models and interpretations used to understand Latin America proved to be wrong or at least incomplete. For Latin America never made a complete transition to democracy, nor did it ever entirely break with its nondemocratic, statist, corporatist part. In fact, most countries in Latin America are not in an unambiguous, either-or situation; rather, they are strung out on a continuum—actually a number of continua—somewhere between authoritarianism and democracy, between statism and liberty, between corporatism and free associability. Most of the countries are hybrids, mixed forms, crazy-quilt patterns, and halfway houses containing a potpourri of all of these. And the social science problem is that we lack the categories, the typologies, the nuanced interpretations adequately to treat of these realities.

Most of the chapters in this book suggest that, while Latin America has in recent decades made significant strides toward democracy, it has retained various authoritarian and corporatist structures and features that were deeply ingrained within the culture and the social structure. These features would not disappear easily or fully as democracy reappeared. Rather, they remained latent. But as Latin American democracy tended toward greater difficulties and even crises in recent years, these below-the-surface features tended to reappear. The question is not, however, whether Latin America will now revert to full-scale authoritarianism (although several of the economically poorest and weakly institutionalized countries might), but whether it can blend, fuse, and manage the contradictory currents—democracy *and* the desire for strong, effective government; free associability *and* the control of, co-optation, and corporatization of socioeconomic group life—that swirl within each of the countries.

What should the reader be alert to and on the lookout for in the following chapters? As regards authoritarianism, I suggest:

1. Not full-scale coups in many countries but circumstances where the armed forces may *threaten* a coup or behind the scenes put undue pressures on civilian leadership behind the scenes;
2. Instances where the military, in exercising its “moderative” power, forces civilian politicians to shape up or to make choices they otherwise would not;
3. Presidents who, even though elected democratically, exceed their

authority by ruling as “constitutional dictators”: riding roughshod over the other branches of government, curtailing human rights, ruling under emergency laws or a state of siege, becoming arbitrary and absolutist;

4. Cabinet ministers, department heads, and petty bureaucrats who, while operating in a generally democratic regime, abuse their authority and run their own offices arbitrarily and corruptly;

5. Military officers, police, landowners, and others who, especially in the countryside and out of the glare of publicity, abuse workers, peasants, subjects, family members, citizens;

6. Arbitrary and authoritarian practices carried out at the regional or local level, even while the political system at the national level is at least formally democratic;

7. Evidence that authoritarianism, while no longer present at the level of national politics, is still present and carried out within the family, in husband-wife relations, at the social level, and in how lower-class elements are treated—authoritarianism, in short, that is deeply rooted in the society and the political culture, if no longer in the political system.

As regards corporatism, many of the same or related research or investigative suggestions apply. While corporatism has been formally abolished in law in almost all countries of the area, like authoritarianism it tends to persist in the niches, interstices, and gray areas of the system. For example:

1. While corporatism has by now been officially eradicated in most countries in law or constitution, much of the follow-up or enabling legislation to put the new, freer procedures into law and practice has not yet been fully enacted, with the result that unions, employers, judges, bureaucrats, and the state often continue to operate in the older corporatist ways.

2. Corporatist practices are particularly prevalent in the areas of labor relations, social welfare, and other social policy areas.

3. Many countries, even with basically democratic institutions, still have high-level councils of state or other advisory bodies that are organized functionally or corporately. If these have been formally abolished, most presidents have informal groups of advisers that are similarly functionally organized.

4. The new “pacts” between labor, business, and the state are often newer versions of older corporatist practices.

5. Ditto for the “new” public-private “partnerships.” Often these are forms of corporatism in updated dress.

6. In countries like Mexico, there is a fascinating competition pitting the older corporatist agencies in the state structure and in the PRI (the official unions, farmers’ groups, others) against the newer groups organized on the basis of free associability. They compete for dominance within the political parties, for access to the state, for the loyalty of their members, and between themselves.

7. It is striking in most countries how often the *language* of corporatism is still used. The Church and the army are frequently referred to in the press or everyday conversations as “corporations”; business groups are “guilds” (*gremios*); labor unions are “syndicates” (*sindicatos*). Similarly, when interest groups or local governments negotiate with the central government over access, “rights” (*fueros*), contracts, partnerships, or “grants” (*verbas*), the vocabulary is still that of the corporatist past. And if the language and arrangements are corporatist, so often is the practice, despite the democratic trappings or facades.

8. Corporatism in its modern form was designed to bring business and especially labor under state control. It will be fascinating to see if some of the newer, emerging social groups in Latin America—peasants, women, urban slum-dwellers, indigenous elements—are co-opted, controlled, and “corporatized” in much the same way. What to look for in these arenas, one suspects, is some degree of free associability for these groups mixed with some degree of corporatism.

9. While corporatism has been formally abolished at the national level, it appears to be alive and well in many countries at the local and regional levels, where local authorities, instead of allowing free associability, are forcing nongovernmental organizations (NGOs), community groups, civil society, and other organized interests to register, show their membership lists, divulge their finances, and seek recognition as “juridical personalities”—all of these being at the heart of corporatist practice.

10. Corporatism and the control mechanisms that go with it tend to emerge mainly in times of crisis. So as a number of Latin American countries experience economic crises, social dislocations, and threatened political instability, we can also expect corporatism to reassert itself.

All of these indicators of authoritarianism and corporatism show that, while these two forms of power may have been abolished formally in law, these features often continue to operate in actual practice—and that, rather than being incompatible with democracy and free associability, authoritarianism and corporatism can operate side by side with these, especially in the lags and arenas where democracy is incomplete and underinstitutionalized. Democracy and authoritarianism or corporatism may overlap, or they may complement each other in various ways, with both operating at the same time. Hence, rather than democracy and authoritarianism, or free associability and corporatism, being complete opposites at the extreme ends of a continuum, we find that both are often present at the same time, contradictory at one level but quite rational and understandable at others.

The Book: A Look Ahead

This introductory chapter is followed by two theoretical chapters that help provide intellectual and theoretical concepts and frameworks for the country and regional chapters that come after. First, Dutch scholar Menno Vellinga of the University of Amsterdam gives us a historical and sociological overview of the role of the state and state authority in Latin America. Second, Paul Adams of the University of Massachusetts, an expert on corporatism, provides an explanation of the history and sociology of that term, the different schools of corporatist thought, and the uses and limits of the corporatist approach and framework.

The next section includes country case studies from the most important countries of Latin America, as well as a regional overview of Central America. We begin with a discussion of Peru by David Scott Palmer of Boston University, in which he wrestles with the issues surrounding authoritarianism and corporatism, focusing on the “authoritarian tradition” and corporatist sociopolitical organization but including a discussion of new corporatist arrangements involving recently organized civil society groups. The chapter on Chile, written by Brian Loveman of California State University, San Diego, is another fascinating case because Chile is one of the most democratic countries of Latin America, and yet beneath the surface Loveman finds that country has strong authoritarian and corporatist undercurrents as well. A third chapter in this section, by David J. Myers of Pennsylvania State University, deals with the interest-

ing case of Venezuela, which had a pluralist and competitive political party system but where corporatism or the sectoral/functional organization of interest groups grew up *within* the parties, proving to be enormously corrupt and milking the state dry of resources. In contrast, Harvey F. Kline of the University of Alabama argues that Colombia is an exception in Latin America, a country that, despite its present reputation for drugs and violence, is more liberal and pluralist than it is corporatist—in fact, a complex mix of liberal political institutions coupled with certain underlying corporatist traditions.

Linda Chen of Indiana University focuses on the role of organized labor in the transition to democracy in Argentina and finds that it did play a part, but she also finds corporatism persisting into the new democratic era and suggests that the corporative nature of Argentine society in general helps explain the country's spiraling economic-social-political crisis. Brazil is both an important and an interesting case because, as the chapter by Timothy Powers of Florida International University and Mahrukh Doctor of Oxford University shows, while Brazil has formally abolished its earlier corporatist structures and labor laws, in practice it continues to function in a mixed, overlapping fashion that is both liberal and corporatist at the same time.

The Mexican case follows, in the chapter written by George Grayson of the College of William and Mary. In Mexico, corporatism grew up within the official party that ran the country for seventy years, in terms of the sectoral organization (labor, peasants, popular) of that party; now in a more democratic context there is competition between the corporatist groups and a newer system based on pluralism. Finally, the chapter on Central America by Steve C. Ropp finds many of the formal trappings of democracy in that region but also, more fundamentally, powerful currents of authoritarianism and corporatism, in the party systems, in the interest-group structure, and in the state system.

All of our authors find a surprising degree of corporatism and authoritarianism still present in the countries studied. We say "surprising" because since the 1970s Latin America has supposedly democratized (nineteen of the twenty countries being "democratic") and presumably gotten rid of the older authoritarianism and corporatism. But apparently not. Hence the conclusion to this book seeks to explore how and why these features are so persistent and what the implications are for Latin America, for democracy, and for U.S. policy in the area.

Notes

1. See especially Frederick B. Pike and Thomas Stritch, eds., *The New Corporatism: Social-Political Structures in the Iberian World* (Notre Dame, Ind.: University of Notre Dame Press, 1974); Philippe C. Schmitter, "Still the Century of Corporatism?" *Review of Politics* 36 (1974): 85-131; Howard J. Wiarda, "Toward a Framework for the Study of Political Change in the Iberic-Latin Tradition: The Corporative Model," *World Politics* 25, no. 2 (1973): 206-35, and *Corporatism and National Development in Latin America* (Boulder: Westview Press, 1981); and James M. Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977).
2. For a theoretical discussion of these concepts, their evolution, and a case study, see Howard J. Wiarda, *Dictatorship and Development: The Methods of Control in Trujillo's Dominican Republic* (Gainesville: University of Florida Press, 1968), chap. 1.
3. C. H. Haring, *The Spanish Empire in America* (New York: Oxford University Press, 1963); Charles Gibson, *Spain in America* (New York: Harper and Row, 1966).
4. Sergio Bagú, *Estructura social de la colonia* (Buenos Aires: El Ateneo, 1952; George W. Grayson, *Mexico: From Corporatism to Pluralism?* (Fort Worth: Harcourt Brace College Publishers, 1997). See also the collected essays and bibliography in Howard J. Wiarda, ed., *Politics and Social Change in Latin America: Still a Distinct Tradition?* 4th ed. (Westport, Conn.: Greenwood Press, 2004).
5. Roderic Ai Camp, ed., *Democracy in Latin America: Patterns and Cycles* (Wilmington, Del.: Scholarly Resources, 1996). For a country-by-country treatment that also sees the 1930s as a critical change period and provides an updating for each country to the present, see Howard J. Wiarda and Harvey F. Kline, eds., *Latin American Politics and Development*, 5th ed. (Boulder: Westview Press, 2001).
6. See the periodic surveys conducted by Latin America's premier polling agency, Latinobarómetro of Chile.
7. Guillermo O'Donnell, "Delegative Democracy," *Journal of Democracy* 5, no. 1 (1994).
8. An earlier classic is Kalman H. Silvert, *The Conflict Society: Reaction and Revolution in Latin America* (New York: American Universities Field Staff, 1966). For another effort written during a previous crisis to suggest Argentina as a "model" for Latin America, not of successful democratic development but of corporatist fragmentation and disintegration, see Wiarda, "Toward a Framework."
9. For some treatments by the author, see *The Democratic Revolution in Latin America* (New York: Holmes and Meier, 1990), *Democracy and Its Discontents* (Lanham, Md.: Rowman and Littlefield, 1996), and *Comparative Democracy and Democratization* (Fort Worth: Harcourt, 2002).
10. Joseph A. Schumpeter, *Capitalism, Socialism, and Democracy*, 2nd ed. (New York: Harper and Brothers, 1942).

11. Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).

12. Robert A. Dahl, *Polyarchy: Participation and Opposition* (New Haven: Yale University Press, 1971).

13. Robert A. Dahl, *Democracy and Its Critics* (New Haven: Yale University Press, 1989).

14. See John H. Kautsky, "An Essay in the Politics of Development," in *Political Change in Underdeveloped Countries: Nationalism and Communism* (New York: Wiley, 1962), 3-119.

15. The best study is still Carl J. Friedrich and Zbigniew K. Brzezinski, *Totalitarian Dictatorship and Autocracy* (New York: Praeger, 1962).

16. Max Weber, *Economy and Society*, ed. Guenther Roth and Claus Wittich, trans. Ephraim Fischoff et al., 3 vols. (New York: Bedminster Press, 1968).

17. That is the thesis of the author's *Dictatorship and Development*.

18. Juan Linz, "An Authoritarian Regime: Spain," in *Cleavages, Ideologies, and Party Systems*, ed. Erik Allardt and Yrjö Littunen, Transactions of the Westermarck Society 10 (Helsinki, 1964), 291-342.

19. Schmitter, "Still the Century of Corporatism?"

20. Wiarda, *Corporatism and National Development in Latin America*.

21. For a fair, balanced discussion of these two definitions and their contrasting approaches, see Paul S. Adams, "Corporatism and Comparative Politics: Is There a New Century of Corporatism?" in *New Directions in Comparative Politics*, ed. Howard J. Wiarda, 3rd ed. (Boulder: Westview Press, 2002).

22. Howard J. Wiarda, *Corporatism and Comparative Politics: The Other Great "Ism"* (Armonk, N.Y.: M. E. Sharpe, 1997).

23. See Wiarda, *Dictatorship and Development*, chap. 1.

24. Friedrich and Brzezinski, *Totalitarian Dictatorship and Autocracy*; Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt Brace, 1951).

25. For the history and sociology of corporatism, see Wiarda, *Corporatism and Comparative Politics*.

26. Carl Landauer, *Corporate State Ideologies: Historical Roots and Philosophical Origins* (Berkeley: University of California, Institute of International Studies, 1983).

27. W. W. Buckland, *A Text-Book of Roman Law from Augustus to Justinian*, 3rd ed., rev. by Peter Stein (Cambridge: Cambridge University Press, 1963); W. W. Buckland and Arnold D. McNair, *Roman Law and Common Law: A Comparison in Outline*, 2nd ed., rev. by F. H. Lawson (Cambridge: Cambridge University Press, 1952).

28. Antony Black, *Guilds and Civil Society in European Political Thought from the Twelfth Century to the Present* (Ithaca, N.Y.: Cornell University Press, 1984).

29. Angus MacKay, *Spain in the Middle Ages* (London: Macmillan, 1977); Archibald R. Lewis, *The Development of Southern French and Catalan Society, 718-1050* (Austin: University of Texas Press, 1965).

30. Lyle N. McAlister, "Social Structure and Social Change in New Spain," *Hispanic American Historical Review* 43 (1963): 349-70.
31. Friedrich Katz, *The Ancient American Civilizations*, trans. K. M. Lois Simpson (New York: Praeger, 1972); John Leddy Phelan, *The Kingdom of Quito in the Seventeenth Century* (Madison: University of Wisconsin Press, 1967).
32. O. Carlos Stoetzer, *The Scholastic Roots of the Spanish American Revolution* (New York: Fordham University Press, 1979).
33. Glen Caudill Dealy, *The Public Man: An Interpretation of Latin American and Other Catholic Countries* (Amherst: University of Massachusetts Press, 1977).
34. Lyle N. McAlister, *The "Fuero Militar" in New Spain, 1746-1800* (Gainesville: University of Florida Press, 1957); Lyle N. McAlister, ed., *The Military in Latin American Sociopolitical Evolution* (Washington, D.C.: Center for Research in Social Systems, 1970).
35. Glen Dealy, "Prolegomena on the Spanish American Political Tradition," *Hispanic American Historical Review* 48, no. 1 (1968).
36. Howard J. Wiarda, *The Soul of Latin America: The Cultural and Political Tradition* (New Haven: Yale University Press, 2001). See also Ralph H. Bowen, *German Theories of the Corporative State* (New York: McGraw-Hill, Whittlesey House, 1947), and Matthew H. Elbow, *French Corporative Theory, 1789-1948* (New York: Columbia University Press, 1953).
37. For the general theory as well as a detailed case study, see Howard J. Wiarda, *Corporatism and Development: The Portuguese Experience* (Amherst: University of Massachusetts Press, 1977).
38. Robert J. Alexander, *The Perón Era* (New York: Columbia University Press, 1951); Kenneth Paul Erickson, *The Brazilian Corporative State and Working Class Politics* (Berkeley and Los Angeles: University of California Press, 1977); David Scott Palmer, *Peru: The Authoritarian Tradition* (New York: Praeger, 1980); Philippe C. Schmitter, *Interest Conflict and Political Change in Brazil* (Stanford: Stanford University Press, 1971); Kevin J. Middlebrook and David Scott Palmer, *Military Government and Political Development: Lessons from Peru* (Beverly Hills, Calif.: Sage Publications, 1975).
39. Huntington, *The Third Wave*.
40. The best study is Erickson, *Brazilian Corporative State*.
41. Schmitter, *Interest Conflict*; Wiarda, "Toward a Theory"; Malloy, *Authoritarianism and Corporatism*.
42. The limits and weaknesses of Latin American democracy are analyzed in Felipe Agüero and Jeffrey Stark, eds., *Fault Lines of Democracy in Post-Transition Latin America* (Miami: North-South Center Press, 1998), and in Philip D. Oxhorn and Graciela Ducatenzeiler, eds., *What Kind of Democracy? What Kind of Market? Latin America in the Age of Neoliberalism* (University Park: Pennsylvania State University Press, 1998).
43. See especially the Latinobarómetro surveys, as presented in the *Journal of Democracy*.

I

Theoretical Considerations

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State Reform and Traditional Political Practice in Latin America

Menno Vellinga

The relationship among state, economy, and civil society in Latin America has changed spectacularly in a rather short period of time. Less than two decades ago, the state almost crumbled under a barrage of criticism of its developmental role. National governments, under strong pressure from multilateral organizations, engaged in a program of radical restructuring of state activities. State bureaucracies were trimmed down, large numbers of personnel were laid off, and state intervention was strongly reduced in favor of the workings of market forces. In some cases the institutions of the state were dismantled, and vital policymaking capacity was lost.

Now, ten to fifteen years later, those involved in the restructuring process—including those at the multilateral level—are reflecting with mixed feelings upon the results of the policies that had been recommended, and concluding that a change of course is indicated. As a result, the pendulum is swinging back. State reform, the reconstruction of the institutional structure of the state and of its capacity to define and implement policies in areas that cannot be transferred to the private sector and must be considered core responsibilities of the state, have moved to the top of the political agenda. “Bringing the state back in” has become an acceptable policy option.¹ The disagreements between economists who favor a strong developmental role for the state and those who support a weak state and the unrestrained working of market forces have subsided. Many participants in the debate are taking a middle ground between the two positions. Where will this process lead and what will the role of the state

be in this changing nexus of economic restructuring and grassroots initiatives? What is the role of external factors produced by global processes and efforts at regional economic integration? What is the weight of historical factors—including the authoritarian and corporatist heritage—that condition the course of state reform?

The State in Retreat

In Latin America the process of state reform and the redefinition of the state's relationship to the market and civil society have certain idiosyncratic elements that can be traced to its patrimonial-bureaucratic past. This historical legacy has also influenced the functioning of the developmental state, which, together with powerful external forces, has been a predominant phenomenon since the 1930s.

The process of state reform and its outcome in each case depend heavily on the power relationships among organized groups inside and outside government. The retreat by the state from important policy areas, though, created in most countries an institutional and policy void. Corporatism has been losing importance as a principal means of interest representation. In the economy this void was filled by market parties; in areas concerned with the provision of basic needs to the popular sectors, it was filled by self-help organizations, nongovernmental organizations, and social movements, devoted to the full realization of citizenship in a civil, political, and social sense. State reform aimed at good governance and continuing democratization would entail a return to "core responsibilities." These would include policy areas that were left to private initiative at an early stage, while recognizing the legitimate role of popular organizations and movements promoting democratic government.

It should be emphasized that the pattern for the withdrawal of the state from major policy areas in the economic and social sphere shows considerable differences among individual countries. How "state reform" is handled in response to international economic pressures that emphasize the need for structural adjustment consistent with market reforms varies according to the interplay of domestic political and economic forces. These policies often had drastic consequences. "Reform" amounted, in practice, to a demolition of institutions, involving massive dismissals of personnel, with a debilitating influence on state policymaking. This concerned also "core obligations," tasks that will not easily be taken care of

by other institutions. In the process, technical capacity and expertise needed to help define policies in these core areas were lost. It has become even more difficult to find a strategy to alleviate *the* basic problem of Latin-American society: the structural inequalities embedded in the organization of economy and society and the social, economic, and political exclusion of the poor.²

The present debate on good governance emphasizes the need for reforms that will restore institutional strength, authority, efficiency, and planning capacity to the state. It assigns priority to those areas that traditionally depend on normative action by the state and, more important, to those aimed at the reduction of socioeconomic inequalities and the correction of patterns of allocation of resources that traditionally have been directed to enclaves of power through clientelist mechanisms and conjunctural networks. Strong emphasis is placed on the need to create institutions, norms, and procedures that would reduce corrupt practices and establish responsibility and accountability in public administration. These measures must be accompanied by a deepening of the process of democratization, an extension of democratic ground rules to state-civil society relations, and the creation of a consensus among state agencies about policy priorities and the accompanying long-term budget allocations.³ The patrimonial-bureaucratic tradition in Latin America transforms these processes into an exceptionally complicated enterprise. Political practice has lacked a system of rules and procedures that is generally accepted as legitimate and through which those who govern are selected and decisions are taken. Latin American political systems miss a tradition of legal-rational legitimacy of the democratic state in the Weberian sense.

State and Civil Society

In recent decades economic, social, and political processes were coordinated through what Cavarozzi has called a state-centered matrix (SCM).⁴ This concept implies a double dependency in state-civil society relations. Social actors such as industrial workers, state bureaucrats, members of the middle class, all forming part of the urban-industrial complex, became a factor of sociopolitical importance, but they depended on the state for the realization of their demands and aspirations. The state, in turn, needed the support of these actors to give its functioning a basis of legitimacy. The SCM was obviously the stereotypical configuration under

populist rule where those sectors associated with the model of import-substituting industrialization were integrated into corporatist structures and formed the social basis and political force for the state. However, the presence of SCMs was not limited to populist rule. Populism was not the only political formula that emerged under the model of *desarrollo hacia adentro* (inward-directed development), although admittedly it was the most important. These political solutions to a highly complex economic and social situation shared, however, a common emphasis on an all-encompassing trend toward state intervention in all spheres of economic, social, political, and cultural life. The trend was supported by politicians of widely differing political persuasion, although the specific content of policies depended on the composition and orientation of the supporting class alliance.⁵

The state thus became a “developmental state” that not only provided most of the infrastructure that supported the development process but, in the long term, extended its power and influence to all those areas that had an impact on the process. In this manner, in addition to the essential concerns with the internal order, continuity, and external relations of the social system, state action came to include an ever increasing number of interventions.⁶

This increase in range and reach of state policies was not always accompanied by an increase in administrative capacity. In many cases state intervention lacked bureaucratic efficiency and revealed the strong influence of clientelism, patronage, and patrimonialism. State action suffered from the combined effects of, in Schmitter's terms, “structural overbureaucratization” and “behavioral underbureaucratization,” two processes that, as Schneider shows, in bureaucratic practice had become interdependent.⁷ Also, the state had expanded—often beyond its financial limits—but it had not strengthened its capacity to define policies that went beyond the interests of the many narrow societal groups that enjoyed established particularistic links to public agencies. Weyland describes this process with regard to Brazil.⁸ He explains the paradox of an ever expanding state apparatus, suggesting a “strong state on-the-move,” which at the same time caused its own potential for coherent action to be undermined by its corporatist policies toward civil society. These policies produced a social fragmentation that served well the objectives of political control but made it increasingly difficult to create a sufficiently strong social basis for broad development-related policies. The continuous

growth of the state apparatus was not accompanied by an equal growth in internal coordination, efficiency, and effectiveness of state action or by an increase in autonomy with regard to particularistic demands. As a result, private interests infiltrated public institutions and, in fact, "captured" parts of the state. This process, which has occurred in other countries of Latin America as well, increasingly weakened the state's potential to pursue overarching interests, especially macroeconomic ones. In this socially fragmented situation, corporatist and clientelist political practices acquired a new functionality, controlling social tensions in an environment characterized by an extremely unequal distribution of wealth, income, and access to other resources that affect social mobility.

The analysis above underlines once more that by the "state" we allude not to a "neutral" administrative body but to a sociopolitical entity that in the growth and differentiation of its institutional structure and in its functioning is a product as well as an object of struggle among societal interest groups and social classes, in addition to constituting a determining force in this struggle. In other words, the structure and functioning of the state are a product of the competition between social actors and the efforts to control it. Once this process of state formation has been consolidated, the state, through its operations and actions, develops a certain autonomy with a decisive influence on the patterns and issues of the power struggle between these groups or classes. Finally, the political power of the state, its potential for control and the institutions in which that potential is concentrated, in turn becomes an object of class contention.⁹

The state represents a mechanism for the articulation of social relations within a complex structure of power relations that may, at times, be congruent with one another and may, at other times, contradict one other. Considerable variations in the relationship between the state and civil society are the result, a situation that is further complicated by the persistent presence of strong international constraints on Latin American states. In the course of the history of state-civil society relations in Latin America since independence, though, certain basic patterns can be recognized.

The Patrimonial-Bureaucratic Tradition

The state in Latin America has suffered, as Castañeda has written, from a "lack of accountability," an "undemocratic nature," and an "inability" to

perform the tasks of a responsibly functioning bureaucracy. I agree with him that the real problem of the state can be found on this level.¹⁰ The nature of the state constitutes a greater problem than its size or even the definition of its developmentalist role. It is directly associated with the historical legacy of patrimonialism and related traditional patterns that established a political practice through which particularistic interests privatized state institutions and policies.¹¹ During colonial times no well-defined borders were established between the colonial bureaucratic administration and private patrimony, and this lack of separation between public office and private interests continued to haunt the new Latin American nations after independence. It often became difficult to distinguish between state and government. The institutions that might have supported the separation of the two were weakly developed. On the basis of historical experience in Western Europe and North America, one would have expected in the course of time the growth of a certain autonomy of the state relative to civil society, grounded in a traditional and legal basis and supported by powerful civil and military institutions. However, this development toward autonomy stagnated in Latin America. Few countries were able to develop an independent and powerful functioning judiciary; even fewer could boast a competent, relatively honest, and (more or less) permanent civil service; in most countries, the military was a continually destabilizing factor.

The colonial regime had not established the legal order and bureaucratic structure to which power could have been delegated, a structure that could have functioned with a certain autonomy, without the need for constant personal interventions by the highest authority. On the contrary, the system of administration and control was authoritarian, centralist, and functioned through "divide and rule" strategies of the Machiavellian type. This strong central authority disappeared with the Wars of Independence, and the administrative chaos that ensued came as no surprise.

After independence, there was a strong tendency to preserve the structure and logic of the old patrimonial system in order to maintain order, stability, and continuity. The almost sacred authority of the former patrimonial ruler was transferred to the postcolonial bureaucracy, which used nationalism and constitutionalism as sources of legitimacy. In political practice nationalism, or rather the feeling of belonging to a nation, functioned as a counterweight to the many centrifugal tendencies connected with regional interests that saw their chance with the demise of the system

of colonial domination. Constitutionalism served as a façade behind which traditional practices related to particularistic interests were continued. The constitutions contained some progressive elements taken from the United States Constitution, as well as the French Declaration of the Rights of Man and the Citizen. The model of the Napoleonic state, however, was a more practical source of inspiration, being congruent with the authoritarian, centralist, and hierarchical tendencies of previous administrative practices. The tension between center and periphery that accompanies patrimonial-bureaucratic rule was controlled, limiting the jurisdiction of the regional and local levels of public administration and creating constitutional provisions for strong presidentialist rule. Obviously, in political practice the success of these efforts at concentrating and centralizing power depended on the power of local leaders and their respective economic interests. In many countries and for a long period, regional disputes and struggles among political factions led by *caudillos* were endemic and defined the political arena. The state existed only in terms of the external recognition of its political sovereignty (and even this was not always guaranteed) and served as an instrument for repression and control.¹²

Through the years, the combination of interest groups or social classes taking control of state and government and establishing an alliance that supported a particular regime followed a similar pattern in many countries. Initially power was held by a small oligarchy of landowners, the military, and the clergy. The gradual integration of the Latin American economies into the world economy, and the appearance in the political arena of new social groupings that this created, complicated the situation. The institutions that emerged in the course of the process of state formation in this period were closely associated with these developments.¹³ They satisfied the need for "macro controls" of economic growth and the internationalization process and served the interests of the actors involved through legislation, public organizations, administrative mechanisms, and resource allocation in the areas of capital formation, the mobilization and education of labor, high-risk ventures, infrastructure, and so on. In the course of the second half of the last century, state action became indispensable. This applies to countries whose industrial development was directed toward the emerging internal market as well as to those where primary production linked to the international market set the pace of the development process.¹⁴ The actual policies adopted in each case were the

obvious result of the structural imperatives and circumstances in which the state was operated, the purpose of the developmental project it had defined, the relative importance of foreign and national interests in the principal productive sectors, and the influence of dominant groups and the outcome of the struggle among them. In this context, the model of development pursued was a dependent variable. This applies to the general orientation of the individual economies toward either primary export or import substitution, as well as to the amount of regulation and planning that accompanied these processes.

The process of state formation was limited by the ability to mobilize the financial resources that would enable it to build an institutional apparatus capable of defining and implementing the regulations and infrastructural arrangements supporting economic growth. In addition, the state had to guarantee its continuity, to consolidate its power on a national level, and to establish the legitimacy of its rule. Initially, financial resources consisted only of custom duties levied on foreign trade, especially in the export-oriented “enclave economies,” and loans contracted in the international financial markets. Later, with the growth of urban society, other sources of state revenue were developed.

Within these limits, the growth of the institutional apparatus and the increase in the number of areas to which the state extended its influence was to an important extent dependent upon the problems presented by the dynamics of economy and society and by the interests of the social groups or classes. These issues and interests were often managed through corporatist structures in combination with extensive clientelist networks. The state—as we noted before—is a product and a conditioning force as well as an object of the struggle between interest groups and social classes. With the growing differentiation of the economy and society and the increasing influence of interest groups, the state’s institutional apparatus and its functioning became an arena of negotiation and dispute.¹⁵

Whether these developments, in particular those connected with the growth of an export economy, the investments in infrastructure, the emergence of a national market, urbanization and massive immigration, and the rise of autocratic regimes (which in the last decades of the nineteenth century established state control over the national territory by invoking an “order” and “progress” ideology), marked a separation from the patrimonial-bureaucratic state of the past is an issue of debate. I think that we should be careful in presuming such watersheds in political culture and

practice.¹⁶ The forces of continuity in Latin American politics are often stronger than one is inclined to think. Whether the state, confronted with the macroprocesses of urbanization and industrialization and with the accompanying sociopolitical changes that culminated in the demise of most of the “oligarchical republics,” was forced to take a radically different course from its political practice of particularism, clientelism, and patrimonialism is debatable as well.¹⁷ We recall Weyland’s analysis of the present crisis of the Brazilian state and his thesis that the expansion of its institutional apparatus and the further differentiation of its functions undermined the potential for autonomy and emphasized its traditional particularistic characteristics.¹⁸

State and Development

The changes that were forced on Latin American society as a result of the 1929 collapse of export economies led to a new development model, one directed toward the internal market. In many countries the resulting economic growth lasted until the mid-1950s. Populism was used to integrate the participating actors and social classes in the political process, preventing radical reforms of economy and society.¹⁹ The state apparatus expanded and entered a great number of new policy areas. Many traditional elements of Latin American political practice were mobilized in the process. One of them was corporatism.

Purely corporatist systems never emerged and, in practice, corporatist elements were combined with those originating in other traditions, including liberal-democratic ones. But the basic pattern in the representation of interest groups—subsidized, maintained, and controlled by the state—is recognizable in all cases.²⁰ Another traditional corporatist element involved the heritage of bureaucratic-patrimonialism, which can be seen in the consolidation of centralized rule by authoritarian regimes and the use of extensive clientelist networks as mechanisms for class control. The expansion of the state apparatus offered ample room for the distribution of jobs, material rewards, and other “payoffs” to the political clientele of the populist regime.²¹

With the growth of the institutional dimensions of the state, the number of issues that were sources of conflict among classes and those interest groups that had created their niches in the state apparatus increased. The populist regimes were structurally hierarchical and authoritarian. Their

rejection of class antagonisms and the fostering of social collaboration within coalitions with a multiclass composition, however, created a strong need for adequate management of potential and actual conflicts of interests. This implied an emphasis on negotiation and conflict resolution through the personal and particularist ties existing between strong persuasive leaders and their followings.²² The class alliance that supported the economic growth model of import-substituting industrialization and the populist regimes were dominated by urban middle- and upper-middle-class groups as well as important sectors of the urban working class. The latter formed a mass electoral base.

In the course of the growth process—the differentiation of the economic structure it induced, in addition to the expansion of the state apparatus—this alliance came to include a new social segment of managers, bureaucrats, professionals, and technocrats who developed their own relationship with the national and international business communities. Together with sectors of the middle classes and the bourgeoisie—and explicitly excluding the popular classes—they formed an important new alliance that, along with the military, opted for a bureaucratic-authoritarian solution to the crisis of the model of import substitution, the collapse of populist rule, and the failure of the brief democratic interlude that some countries had experienced.²³

Some analysts of this phenomenon interpret the bureaucratic-authoritarian regimes as a unique conjuncture of class alliances, coercive and co-optive state policies, and levels of industrial development that distinguishes it from other types of authoritarian regimes.²⁴ They see a break with the patrimonial-bureaucratic tradition as the outcome of an historical scenario that would lead to the emergence of a different kind of state. The public sector had to bring the politically and economically strategic sectors of society under its control in order to ensure an unhindered progress of the model of capitalist industrial development. At the same time, the state apparatus had to be reorganized and the particularist, clientelist elements eliminated. This process had to result in an efficiently operating bureaucracy, led by technocrats who were expected to define and execute policies on the basis of “objective” criteria, while maintaining a certain autonomy with regard to the interest groups in civil society. Within the state bureaucracy, rigid and hierarchical structures were to be organized under ultimate military control.

In hindsight, it appears that the traditional political culture and prac-

tice were far too strong in Latin America to permit a radical break with the past. Those changes that were thought to indicate a structural break with "traditional" patterns appear to have been more of a contemporary and conjunctural nature. Despite the differences among the various regimes in Latin America and their respective relations with social classes, interest groups, and the like, we note common elements in the structure and functioning of the state that go back to this shared heritage: the importance of the "aristocratic culture,"²⁵ generated under the former latifundia system with its emphasis on social distance, hierarchy, absolute authority, arbitrariness, and the discretionary character of decision making; the importance of personalism and *caudillismo* in politics; the weight of patron-client relationships and the significance of extensive networks of a clientelist nature as a vertical structuring mechanism in society; the constant tendency to compartmentalize society with an emphasis on political over social categories, intervening in processes of class formation.²⁶ All these obviously have a presence of varying importance and intensity in any particular political system, and they appear in varying combinations. Striking in most situations—examples can be found in Mexico, Argentina, Peru, Colombia, and the Central American countries—is the combination of historical continuity with a flexibility in adapting to a changing economic and sociopolitical environment. The economic crisis of the 1980s, the demise of the authoritarian regimes, and the trend toward democratization presented such changing environments.²⁷

The State's Changing Role

The response to economic downturn included a generalized recourse to neoliberal adjustment policies, whether in the regimes of a center-right political persuasion, neopopulist regimes, or those with a center-left orientation, like Brazil.²⁸ Political support was drawn from the economic elites and the middle sector, and in some instances the composition of this alliance turned out to be rather similar to the one that initially had supported the bureaucratic-authoritarian regime.²⁹ The macroeconomic policies of these coalitions, which supported the dynamic, export-oriented sector of the economy, have produced selective economic growth while marginalizing small producers in the countryside and segments of the urban poor. In many countries the state institutions attending to the needs of these groups have been dismantled. In some cases they were replaced by

social emergency funds—often financed through foreign aid—that were directed toward situations of acute poverty.³⁰ The future of such programs, however, was uncertain, and their contribution to structural solutions to the problem of urban and rural poverty has remained small. In addition, because they are mostly managed under the auspices of the office of the presidency, they have tended to become an instrument of political patronage and traditional political practices.³¹

The new dualism in society between those participating in the processes of modernization and globalization and those who are excluded is the Achilles heel of the neoliberal strategy. The withdrawal by the state from social policy areas coincided with an incipient democratization that was encouraging marginalized segments of the population to express their demands and put pressure on those same state institutions that often had radically scaled down operations. Neoliberal policies generally succeeded in restoring investors' confidence, but at the cost of accumulating a considerable "social debt," which in turn threatens economic stability and undermines the democratization process. State withdrawal has created at the lower levels of society a "policy void" that has been filled increasingly by the activities of social movements and nongovernmental organizations. In some cases these NGOs are participating in a chaotic "privatization" of services that under normal conditions must be the responsibility of the public sector in order to guarantee equal access to all.³²

Since 1990 we have witnessed rapid advances in the globalization of the Latin American economies. Neoliberal policies have been instrumental in opening up these economies. This shift toward neoliberalism has run parallel to a growing impact by globalizing trends and an increasing integration of the Latin American economies in the world economy through trade, investment, and technology flows.³³

This closer integration with the global market has coincided with a cautious shift from authoritarian government toward slightly more representative and participatory political systems. This may have obscured the negative aspects—economic as well as social—of Latin America's closer integration with global markets. The polarizing effects of globalizing processes have increased interregional inequalities and have sharpened uneven development.³⁴ Many medium-sized and small firms that formed part of the import-substituting industrialization process, but proved unable to compete in international markets, disappeared, creating social problems of considerable magnitude. Those who favor the neoliberal re-

forms that, in their view, would make the Latin American economies more competitive in an increasingly globalizing world have always argued that these negative social impacts are short-term effects and that, with time, renewed economic growth will turn this situation around.

The commitment to and the extent of neoliberal reform—as we have noted—varies substantially between countries. So does the rate at which these, and their internal regions, are changing toward a closer integration with world markets. Northern Mexico, under the impact of NAFTA, has been advancing very rapidly, and so has Chile.³⁵ Venezuela, on the other hand, has maintained a very slow pace. It has become clear that just increasing the market orientation of the economies is not sufficient to secure a stable position in the world economy. Extensive institutional reform and changes in traditional political practices will be needed to achieve this goal. In addition, neoliberal policies, in combination with globalizing processes, will meet with regionally generated production, innovation, and knowledge systems, and this global-local nexus will work differently in each case.³⁶ Certain sectors of the economy and society and, above all, certain regions and subregions will undergo the effects of a growing economic and social interdependence more intensively than others. The inter-regional differences in economic growth, income distribution, access to resources, and accompanying shifts in sociopolitical relations are becoming more pronounced. The tensions between core and peripheral regions, a perennial problem in many Latin American countries, have been increasing in scope and intensity. The need to find ways to insert themselves into the international economy has made the regions specializing in manufacturing as well as those emphasizing primary goods production even more dependent on shifts in the international economic cycle than they already were before globalization hit them. It has proven very difficult for them to establish and consolidate stable export positions.³⁷

All countries have been under great pressure to restructure labor markets, to keep wage costs at low levels and to make employment practices more flexible in order to create more competitive labor conditions in the international economy.³⁸ The power of the trade unions has declined, leaving labor more vulnerable and insecure. The corporatist structures that have mediated labor interests with the state for so many decades have eroded. State regulators and labor unions are not involved anymore in setting wage levels to the extent they used to be. Collective bargaining processes concerning wages and working conditions are increasingly con-

ducted directly at the firm level or through negotiations with the employers' associations, without state intervention. Social welfare—above all medical care and pensions—is being administered increasingly through centrally run assistance programs instead of through union organizations integrated in corporatist structures.³⁹ An additional complicating factor has been the explosive growth of the informal sector as it absorbs the unemployed. Many domestic firms have crumbled under the impact of international competition. The ensuing loss of employment in the formal sector has further reduced the size of corporatism's base in labor.

Corporatism's loss of importance as a principle means of interest representation in Latin America has mixed effects. The labor unions, in particular, will have gained independence and more room to run their own affairs. They will lose, however, in political representation of labor interests within the arenas of the state. This will create a void that probably will be filled by voluntary associations, social movements, and NGOs. Also, and under conditions of continuing democratization, political parties should be involved, although these would have to modernize, restructure, change their personalist and clientelist ways, and develop the representation of a broader array of interests. For most Latin American countries, this would be a long-term development with an uncertain outcome. The traditional political parties have weakened in most countries, with the probable exception of Uruguay and Costa Rica. Attachment of citizens to the existing political parties has eroded, and the signs of electoral realignment are not very strong.⁴⁰ On the contrary, indications of a continuing importance of political clientelism abound. The traditional networks of representation are often showing surprising resilience.⁴¹ In addition to their controlling function in situations of extreme socioeconomic inequality, the market-oriented reforms and the regionalization projects have given them a new functionality as clientelist networks are being used in negotiations over economic change. This will tie in with the idiosyncratic nature of Latin American development and its rather peculiar process of democratization. Also, existing corporatism has weakened as a result of the demise of the developmental state. However, it would be wrong to assume that corporatism and its organization of societal interests along functional lines should necessarily be incompatible with advanced capitalism. Many western European countries—originally under the influence of Christian Democratic ideas, but later supported by social democracy—have developed corporatist-inspired mechanisms of interest representation within their welfare states, alongside well-developed party

structures. State reform in Latin America may involve, among other things, reviving or reinvigorating some corporatist institutions.⁴² In addition, neocorporatist participation has been emerging as an alternative form of community involvement through the establishment of collective bodies, committees, and councils that influence, directly or indirectly, the definition of government policies and priorities. The generalized disaffection with the traditional political parties and the limited representative potential of social movements and NGOs may further help corporatism to recuperate terrain.

Corporatism may have a future in Latin American societies after all, although it would have to be more inclusive of the peasants and the urban poor, and should not rely on deficit spending. For centuries its place in the frame of reference of the rulers and the ruled as the way to organize the relations between state and civil society was so important that its final demise would be difficult to comprehend.

The Movement toward State Reform

There are considerable differences among individual countries in content and scope of state reform and in the redefinition of the relations between state, market, and civil society. The structural adjustment recipes that recommend state withdrawal and strengthening of market relations, as formulated by the international development establishment, however, have been based in all cases upon very similar strategies. The most salient general characteristics of the structural adjustment process of the 1980s and the elements that figure with differing emphasis in the present debate on the relation between stable long-term economic growth, type of change in the structure and functioning of the state apparatus, and type of reform in state-civil society relations appear to show an underlying consensus of opinion.⁴³ But the arrangements between state and market and the impact of adjustment policies on social classes and other interest groups often differ considerably across countries. Structural adjustment has its own winners and losers.⁴⁴ The privatization of public services and the reductions in subsidies, public social services, and welfare provisions tend to worsen the distribution of income, already skewed to the disadvantage of the lower- and middle-income families. The recent tax reforms initiated by many countries have not yet corrected this trend. The emphasis on indirect taxes (linked to the consumption of goods and services with a low income-elasticity of demand) must shift to taxation directed primarily

toward income and property. The reorganization of the revenue service—a priority objective of state reform—is only in its beginning stages, and the traditional regressive state revenue-raising structure is largely intact. Thus, the lower and middle income strata are forced to contribute comparatively more to a state that has reduced its support of the public services that primarily serve their needs.⁴⁵ State reform also encounters resistance on other fronts. Close links between the reorganizing state agencies and sectors identified with modernization and the globalization of Latin American economies create the risk of repeating the ills of the patrimonial past.

When qualifying these phenomena, it is useful to be attentive to the often sharp differences between the theory and practice of state reform. A leaner state—better organized, more efficient, less politicized—is not always the immediate result of reforms. State reform has often created new institutions that continue old patterns. State agencies have remained arenas for competition, negotiation, and dispute between interest groups and social classes.

Changes in the pattern of relations between state, market, and civil society have created opportunities for those groups and classes identified with the modernization of the economy and its integration into the international economic system at the expense of others. The manner in which the privatization programs have been carried out exemplifies how public and private interests continue to be intertwined.⁴⁶ The success of privatization has come to depend heavily upon the success of the strategy to disentangle these interests and to privatize the private sector. And even then, the tradition of rent seeking “in which business profits derive not from innovation and production efficiency but from such things as the manipulation of returns on capital by government regulations, favoritism in government spending and preferential tax treatment” does not provide an environment in which privatization gives an automatic guarantee of improved performance and independence from state-sanctioned privilege and favor.⁴⁷

A Changing Political Arena

The strengthening of the technocratic orientation of public administration in many Latin American countries is thought to contribute to the growth of a Weberian state that can resist these special interest groups and

distributional coalitions. However, the decision making that is dominated by technocrats who are supposedly pursuing “politically neutral” policies based on rigidly “objective” analyses of the situation may become a façade for traditional ways of doing business and for ideologically prescribed actions that promote the interests of certain sectors while excluding others.⁴⁸ The rise of technocracy was already under way in the 1960s, but it became publicly prominent because of the implementation of the structural adjustment programs inspired by neoliberalism in the 1980s. The technocrats’ position was fortified by the success of the neoliberal recipe in providing the general guidelines for the running of any open capitalist market-economy. They became traditional politicians’ favorite allies, to whom the definition and implementation of unpopular economic and institutional reform, expected to restore investor confidence, could be delegated. Schneider argues that this is the major reason for the growing power position of technocratic government officials in the last decade.⁴⁹

Analyses of the role of technocrats focus mainly on how they function within key central government institutions and how they define the macroeconomic parameters of a new growth model, often in coordination with representatives of the major multilateral organizations: World Bank, IMF, and Inter-American Development Bank. At a macro level, considerable variations exist in the manner these new policies are adopted and integrated with traditional courses of action, depending on the domestic economic and political pressures and the conditions of multilateral loan programs. These variations multiply if the other levels of state action are taken into consideration. In this respect, Migdal makes a useful distinction among various levels of the state, each of which experiences pressures from other state institutions and from actors in civil society:⁵⁰

1. The level of “the trenches,” where the direct application of state rules and regulations takes place, often in face-to-face situations
2. The level of “the dispersed field offices,” where the implementation of regional and state policies is mapped out
3. The level of “the agency’s central offices,” in the nation’s political center, where national policies are defined and enacted, the sources of state revenue are mobilized and the resource allocation takes place—the level where the rise of technocracy has to an important extent taken place
4. The level of “the commanding heights,” the top executive leader-

ship, where pressures from within the state organization and from nonstate forces, both domestic and international, compete with each other in the effort to influence executive decision making

At each of these levels, social forces meet in situations of negotiation and dispute. In addition, conflicts of interest over certain issues may arise between levels. The handling of the issue of decentralization offers some striking examples. Decentralization of government tasks and responsibilities to the regional and local levels, accompanied by an adequate allocation of funds, is a central issue of state reform. At the same time—and given the rachitic nature of the processes of democratization—it may open a Pandora's box, creating new maneuvering room and access to resources for traditional elites and interest groups. In the Mexican case, a situation arose in which the central government and the regional and local governments were in conflict over decisions regarding decentralization that were made at the “commanding heights” level, to such an extent that the original policy objectives were aborted and in some cases reversed. Argentina and Brazil offer examples of similar development.⁵¹

General state reform at the regional and local levels may also meet resistance from an unexpected source. The withdrawal by the state from several areas that provide services to meet people's basic needs has resulted in a policy void that has been filled increasingly by grassroots movements and the activities of nongovernmental organizations. The grassroots movements that have proliferated since the 1980s are organized and mobilized along issue lines and do not necessarily manifest a class perspective, although they are found predominantly among the poor segments of the population.⁵²

In the overcrowded cities of Latin America, where city management proved totally unable to deal with the immense infrastructural problems surrounding the provision of clear water, sewage treatment, electricity, transportation, health care, education, and housing, informal movements of a self-help nature appeared. Their significance in the context of the incipient process of democratization can hardly be overestimated. However, these movements continue to represent a privatization of basic services that—as we emphasized before—should properly be the responsibility of the public sector.

The case of NGOs is more complicated. Their mushroomlike growth in most Latin American countries has led to their presence on a local and regional level in policy areas that concern state reform.⁵³ The relationship

between the state and the NGOs depends on the degree of compatibility in ideology, development strategy, and basic policy objectives. During the authoritarian regimes of the 1970s they worked in favor of social justice, democratization, and respect for human rights and provided a safe haven for intellectuals in the political opposition. During the period of structural adjustment, the major NGOs, with their documentation centers, expertise, and international contacts, created continuity in areas that suffered the effects of state withdrawal and the destruction of institutions. In the postadjustment period, the state-reform program is confronted with policy areas included in the program that have been "occupied" by NGOs operating with a philosophy and a purpose that does not necessarily agree with the state's. The "official" sectors in many countries complain that uncontrolled actions of NGOs sometimes contradict state action.⁵⁴ Further democratization and progress in state reform will require a redefinition of most NGOs' strategies, including their relationship to the state, assuming that a democratizing state would not only require knowledge of these organizations' activities but also would wish to exert some degree of coordination and control.

State Reform and Traditional Political Practice: Conclusion

The debate on issues related to state reform is part of a wider debate on whether the combined processes of economic restructuring and democratization in Latin America can generate a new model of development that will combine economic growth with equity.⁵⁵ This requires a special role for the state and makes a further retreat in any aggregate sense unlikely, even undesirable. In the social field there remains much to be done in order to provide welfare to large segments of the population. And even in economic affairs it is a fallacy to suggest that a deregulated market economy could function without the presence of a strong state, however paradoxical this may sound.

On this issue, economists in favor of state intervention and those who would rely on the market are approaching common ground.⁵⁶ They share a growing consciousness that every capitalist economy is a result of mixed market and state coordination and that governments have a pronounced role in providing physical and social infrastructure and in realizing more equitable distributions of income, wealth, knowledge, and power. In these areas markets cannot be relied upon. There is an increasing interest in a "new interventionism" — which is distinctly different from the traditional

“market-unfriendly” interventionism, and which seeks to guide, not replace, the market. In economic matters, this would channel investment away from unproductive uses through stimuli of various sorts, expand technological capacity, strengthen links with the international business community, provide a direct thrust to selected industries, and create the general conditions for sustainable development.⁵⁷ Such policies would have to be based on a strategy for the development of trade and industry over time, a plan that must be open to feedback from the market; state assistance should be made conditional on performance. For the proponents of radical neoliberal strategies, this form of planning would be extreme. They would prefer a state role limiting itself to defining and enforcing the regulatory context for the operations of the market actors.

In reality both perspectives, despite their differences, leave little room for a “retreat” of the state in an aggregate sense and argue for a redefinition of responsibilities. This does not necessarily include a weakening of the state role. It is true that this redefinition is taking place within the constraints of a world dense with flows of trade, money, and regulatory obligations. But even then, the state has retained considerable powers in the areas of economic and social policies.⁵⁸ The increasing impact of globalizing processes will not emasculate the national states. They will continue to retain wide discretion over the extent to which they control resources. Most Latin American countries have experienced substantial decreases in public spending since the beginning of the 1980s, when the neoliberal offensive took effect.⁵⁹ However, in view of the immense needs in virtually all sectors of the Latin American economy and society to which the market does not necessarily respond, it is hard to imagine future development for the continent that would include a permanent contraction of public sector activity.

The neoliberal model appears to have run out of steam in many countries, and democratization is providing channels to challenge its policies. There is considerable debate on the need to develop alternative strategies, more internally oriented and with a strong emphasis on growth with equity.⁶⁰ Such strategies would include a revaluation of the developmental role of the state and of capitalist reforms that follow the neostructuralist paradigm in development theory. Experience with the policies that followed the Washington consensus advises against rapid across-the-board opening up of economies to the impact of world economic forces. For many Latin American countries the effects were traumatic. They learned

the hard way that economic growth and structural change are much better served operating very carefully and gradually while inserting the national economy in the international economy. National firms need time to prepare for external competition, and their export capability should be supported by special state measures. Growth-oriented macroeconomic policies, accompanied by productive development policies directed toward an increase in productivity and competitiveness in all production sectors, will require intensive cooperation and coordination between public and private sectors. This will mean a strong role for a state that guides the market through "market friendly" interventionism. It may also include a new role for corporatist-inspired structures.⁶¹

The first precondition for such a future role for the public sector—which will include restoring its capacity to plan and implement policy as part of a course of action combining stable growth with equity—remains a resolution of the fiscal crisis of the state.⁶² The resistance by the privileged sectors of society to any type of tax reform that involves increasing their tax burden and improves collection must not be underestimated; it will be furious. However, there are no alternatives. Other options—increasing public debt or printing money, both preferred choices in the past—are no longer viable courses of action. Increasing public savings and reducing the public deficit are equally difficult measures, but equally necessary to "bring the state back in."⁶³ The search is for a strategy that will not only restore general investors' confidence and revive the credit of the state—as neoliberalism has done in many countries—but also begin to resolve the problem of "the social debt": to establish legitimacy and create social consensus on how to realize civil, political, and social citizenship for the immense majority of the population. Theoretically, the realization of citizenship rights would be the logical corollary to the primacy of market criteria in the organization and functioning of economy and society, as has occurred in the United States and Western Europe.⁶⁴ The conditions and possibilities for such a development, though, are very different in Latin America, as our historical argument has shown.⁶⁵

In historical perspective, the trend toward democratization since the end of the 1970s in almost all Latin American countries has been a remarkable development. The basic tendencies in structure and functioning of the political process point, historically, in an undemocratic or even antidemocratic direction. Countries that called themselves "democratic" at an earlier stage often maintained a very traditional political practice

behind a “modern” façade.⁶⁶ Obvious examples are Mexico, Colombia, Venezuela, and the Peru of Fujimori, which experienced the reestablishment of an extreme presidentialism with roots in a populist past.

A return to the practice of coups d'état and authoritarian military-led regimes is not very probable. The global arena of politics would immediately exert supraregional pressures. So far, these pressures have been quite effective in encouraging the “democratic experiment” and, as in the case of Peru, putting an end to naked authoritarianism. In the long term, free elections, pluralism in party systems and parliamentary representation, and a certain decentralization of decision making and budgetary allocation toward the regional and local levels, in addition to a less central role for the military, will most likely become stable elements in Latin American politics. These changes imply a formal conformation to the democratic model. Up to now, however, the way these elements have been defined and realized in political practice has often deviated from the Western model. They have taken a specific Latin American “coloring” very much conditioned by the political tradition in the region, with external determinants playing a minor role. As a result, elections may be rigged, the political opposition co-opted or intimidated, parliamentary decision making overridden by presidential decrees, decentralization applied through the transfer of responsibilities without budgetary means, and the military invited to participate in political decision making. The authoritarian, organicist, corporatist, centralist, antidemocratic tendencies of the patrimonial-bureaucratic past continuously reappear, and in an environment of enormous socioeconomic inequalities existing behind the democratic façade, the functions of these traditional elements as instruments of co-optation and social control are being put to the test. In the short term this has led to a special variant of democracy.

A full-fledged process of democratization—à la T. H. Marshall⁶⁷—should aim at the realization of civil, political, and social citizenship, and a certain degree of success in all these areas will be necessary to ensure the success of the process as a whole. In situations of continuing extreme socioeconomic inequality, democratization proceeds on shaky ground, with serious consequences for the process of state reform. This reform cannot be successful without democratization that goes beyond the present antipoverty programs promoted by “traditional” politics.

Structural social and economic inequalities will perpetuate dependencies that offer endless possibilities of manipulation and abuse of power

and equally endless problems of access for the poor to public services that fulfill basic needs. As long as they exist, the formation of a Weberian “permanent, apolitical, well paid and competent civil service with rights, duties, hierarchies and promotion ladders”⁶⁸ that would represent a break with the patrimonial past—one of the top priorities on the state reform agenda—will remain an illusion. Confusion will continue concerning the separation between state and ruling government and its supporting alliance of interest groups.

Administrative autonomy and the separation of the state from the executive powers remains as great a need as it has ever been. At the same time it has become clear in the polarized Latin American economic, social, and political situation that the success of reforms in either the social, economic, or political sector heavily depends on the consolidation of reforms in the others. Good governance—the strengthening of state institutions, to protect them from changes in the political arena, to increase their accountability, to reduce the high rate of turnover of officials, to eliminate the possibilities for abuse and corruption, and to limit executive discretion⁶⁹—depends in turn on the success of economic and social reforms.

To balance the exigencies of democratization with the implications of neoliberal macroeconomic policies within the context of increasing globalization, and in the presence of an embedded political culture and persistent traditional political practices, will be the challenge for the Latin American countries within the first decades of the twenty-first century.

Notes

1. The phrase “bringing the state back in” was coined by Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol in *Bringing the State Back In* (New York: Cambridge University Press, 1985). The policy option has been most clearly developed in the World Bank development report *The State in a Changing World* (Washington, D.C.: World Bank, 1997).

2. See Luiz Carlos Bresser Pereira, “Economic Reforms and Economic Growth: Efficiency and Politics in Latin America,” in *Economic Reforms in New Democracies: A Social-Democratic Approach*, by Luiz Carlos Bresser Pereira, José María Maravall, and Adam Przeworski (Cambridge: Cambridge University Press, 1993), 15–36; Howard Handelman and Werner Baer, eds., *Paying the Costs of Austerity in Latin America* (Boulder: Westview Press, 1989).

3. Ibid.; see also Jorge G. Castañeda, *Utopia Unarmed: The Latin American Left after the Cold War* (New York: Knopf, 1993), 358–90; Ludolfo Paramio, “América Latina en los noventas,” *NEXOS*, no. 168 (1991): 29–36; *Social Re-*

form and Poverty: Towards an Integrated Development Agenda (Washington, D.C.: Inter-American Development Bank; New York: United Nations Development Programme, 1993).

4. Marcelo Cavarozzi, "Beyond Transitions to Democracy in Latin America," *Journal of Latin American Studies* 24, no. 3 (1993): 665–84; also his "Politics: A Key for the Long Term in South America," in *Latin American Political Economy in the Age of Neoliberal Reform*, ed. William C. Smith, Carlos H. Acuña, and Eduardo A. Gamarra (Miami: North-South Center, 1994), 127–56.

5. On the various forms of populism, an extensive literature has been published. See Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America* (Princeton: Princeton University Press, 1991); on populism as a political formula, see the classic article by Torcuato di Tella, "Populism and Reform in Latin America," in *Obstacles to Change in Latin America*, ed. Claudio Véliz (New York: Oxford University Press, 1964), 47–74; also Steve Stein, *Populism in Peru: The Emergence of the Masses and the Politics of Social Control* (Madison: University of Wisconsin Press, 1980), 3–17.

6. Rosemary Thorp, *Progress, Poverty, and Exclusion: An Economic History of Latin America in the 20th Century* (Baltimore: Johns Hopkins University Press, 1998), 127ff.

7. Philippe C. Schmitter, *Interest Conflict and Political Change in Brazil* (Stanford: Stanford University Press, 1971), 34; Ben Ross Schneider, *Politics within the State: Elite Bureaucrats and Industrial Policy in Authoritarian Brazil* (Pittsburgh: University of Pittsburgh Press, 1991), 35.

8. Kurt Weyland, *Democracy without Equity: Failures of Reform in Brazil* (Pittsburgh: University of Pittsburgh Press, 1996).

9. For a similar perspective, see Joel S. Migdal, "The State in Society: An Approach to Struggles for Domination," in *State Power and Social Forces: Domination and Transformation in the Third World*, ed. Joel S. Migdal, Atul Kohli, and Vivienne Shue (Cambridge: Cambridge University Press, 1994), 7–36.

10. Castañeda, *Utopia Unarmed*, 374.

11. While dealing with the implications of the historical legacy of bureaucratic-patrimonialism, I was inspired by the publications of Richard Morse, Howard Wiarda, and James Malloy; see Richard M. Morse, *New World Soundings: Culture and Ideology in the Americas* (Baltimore: Johns Hopkins University Press, 1989); Howard J. Wiarda, *The Democratic Revolution in Latin America* (New York: Holmes and Meier, 1990) and the edited volume *Politics and Social Change in Latin America: Still a Distinct Tradition?* 3rd ed. (Boulder: Westview Press, 1992), 1–22, 315–46; James M. Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977). The thesis of the importance of this legacy in explaining the present structure and functioning of the political process in Latin America is not without debate; see Larry Diamond and Juan J. Linz, "Politics, Society, and Democracy in Latin America," in *Democracy in Developing Countries*, vol. 4, *Latin America*, ed. Larry Diamond, Juan J. Linz,

and Seymour Martin Lipset (Boulder: Lynne Rienner, 1989), 1-58. Diamond and Linz assume a radical break with this traditional political behavior in the course of the nineteenth century as a result of the new economic, social, and political developments in that period.

12. See Oscar Oszlak, "The Historical Formation of the State in Latin America," *Latin American Research Review* 16, no. 2 (1981): 17, 21.

13. *Ibid.*, 23.

14. Mario Cerutti and Menno Vellinga, eds., *Burguesías e industria en América Latina y Europa meridional* (Madrid: Alianza, 1989).

15. Oszlak, "Historical Formation of the State," 23.

16. See also the discussion in Diamond and Linz, "Politics, Society, and Democracy," 4.

17. Richard M. Morse, "Claims of Political Tradition," in Wiarda, *Politics and Social Change*, 96ff.

18. Weyland, *Democracy without Equity*, passim.

19. See Stein, *Populism in Peru*, 3-17; also Robert E. Dix, "Populism, Authoritarian and Democratic," *Latin American Research Review* 20, no. 2 (1985): 29-52.

20. See Robert R. Kaufman, "Corporatism, Clientelism, and Partisan Conflict: A Study of Seven Latin American Countries," in Malloy, *Authoritarianism and Corporatism*, 109-43.

21. Ian Roxborough, *Theories of Underdevelopment* (London: Macmillan, 1979), 107ff.

22. Stein, *Populism in Peru*, 13; In the course of this process the labor movement was incorporated into the political system and new institutions of state-labor and capital-labor relations were created; see Collier and Collier, *Shaping the Political Arena*, 161. Those labor organizations that managed to operate with some degree of autonomy in relation to "official" politics were few in number; they were mostly found in primary-production enclaves in mining and plantation areas. See Dirk Kruijt and Menno Vellinga, *Labor Relations and Multinational Corporations: The Cerro de Pasco Corporation in Peru (1902-1971)*, trans. Henk Jarring (Assen, Netherlands: Van Gorcum, 1980), 208-16.

23. The classic study on the rise of bureaucratic-authoritarianism is of course Guillermo O'Donnell's *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics* (Berkeley: Institute of International Studies, University of California, 1973); also David Collier, ed., *The New Authoritarianism in Latin America* (Princeton: Princeton University Press, 1979).

24. See William L. Canak, "The Peripheral State Debate: State Capitalist and Bureaucratic-Authoritarian Regimes in Latin America," *Latin American Research Review* 19, no. 1 (1984): 18.

25. The concept of "aristocratic culture" is an insightful tool in the analysis of Latin American political practice; it was elaborated by Karl Mannheim in his *Essays on the Sociology of Culture* (London: Routledge and Kegan Paul, 1956), 206-39.

26. See Alain Touraine, "Latin America: From Populism to Social Democracy,"

in *Social Democracy in Latin America: Prospects for Change*, ed. Menno Vellinga (Boulder: Westview Press, 1993), 297ff.

27. Guillermo O'Donnell, Philippe C. Schmitter, and Lawrence Whitehead, eds., *Transitions from Authoritarian Rule: Comparative Perspectives* (Baltimore: Johns Hopkins University Press, 1986); Jonathan Hartlyn and Samuel A. Morley, *Latin American Political Economy: Financial Crisis and Political Change* (Boulder: Westview Press, 1986), *passim*.

28. Bresser Pereira, "Economic Reforms and Economic Growth," *passim*.

29. Robert R. Kaufman, "Liberalization and Democratization in South America: Perspectives from the 1970s," in O'Donnell, Schmitter, and Whitehead, *Transitions from Authoritarian Rule: Comparative Perspectives*, 90ff.

30. Typical examples are the Solidarity and Social Investment Fund (FOSIS) in Chile and the Social Development and Compensation Fund (FONCODES) in Peru; see Pilar Vergara, "Market Economy, Social Welfare, and Democratic Consolidation in Chile," in *Democracy, Markets and Structural Reform in Latin America*, ed. William C. Smith, Carlos H. Acuña, and Eduardo A. Gamarra (Boulder: Lynne Rienner, 1994), 250; Santiago Pedraglio, "Perú: Políticas sociales, desarrollo y reforma del estado" (paper presented at the conference "Democracia: Descentralización y Política Social," Lima, May 1994); also Meine Pieter van Dijk, "Socioeconomic Development Funds to Mitigate the Social Costs of Adjustment Experiences in Three Countries," *European Journal of Development Research* 4 (1992): 97-111.

31. For the Peruvian case, see Mariano Valderrama, *Perú y América Latina en el nuevo panorama de la cooperación internacional* (Lima: Centro Peruano de Estudios Sociales, 1995), 70ff.

32. See, for example, Marcelo Cavarozzi and Vicente Palermo, "State, Civil Society, and Popular Neighborhood Organizations in Buenos Aires: Key Players in Argentina's Transition to Democracy," in *New Paths to Democratic Development in Latin America: The Rise of NGO-Municipal Collaboration*, ed. Charles A. Reilly (Boulder: Lynne Rienner, 1995), 37ff.

33. Robert N. Gwynne, "Globalization, Neoliberalism, and Regional Response in the Americas," in *The Dialectics of Globalization: Regional Responses to World Economic Processes*, ed. Menno Vellinga (Boulder: Westview Press, 2000), 149-62.

34. Menno Vellinga, "The Dialectics of Globalization: Internationalization, Regionalization, and Subregional Response," in *The Dialectics of Globalization*, 3-16.

35. Menno Vellinga, "Economic Internationalization and Regional Response: The Case of North Eastern Mexico," *Journal of Economic and Social Geography* TESI 91, no. 3 (2000): 293-301.

36. Menno Vellinga, "The Global-Local Nexus in World Development," *Scandinavian Journal of Development and Area Studies* 19, no. 4 (2000): 31-43.

37. Robert N. Gwynne and Cristóbal Kay, *Latin America Transformed: Globalization and Modernity* (New York: Oxford University Press, 1999).

38. Robert N. Gwynne and Cristóbal Kay, "Views from the Periphery: Futures of Neoliberalism in Latin America," *Third World Quarterly* 21, no. 1 (2000): 141-56.

39. Frances Hagopian, "Democracy and Political Representation in Latin America in the 1990s: Pause, Reorganization, or Decline?" in *Fault Lines of Democracy in Post-Transition Latin America*, ed. Felipe Agüero and Jeffrey Stark (Miami: North-South Center Press, 1998), 99-144.

40. Ibid., 112.

41. John Peeler, *Building Democracy in Latin America* (Boulder: Lynne Rienner, 1998).

42. Ian Roxborough, "Citizenship and Social Movements under Neoliberalism," in *Politics, Social Change, and Economic Restructuring in Latin America*, ed. William C. Smith and Roberto Patricio Korzeniewicz (Miami: North-South Center Press, 1997), 67.

43. See Moisés Naím, "Latin America: The Second Stage of Reform," in *Economic Reform and Democracy*, ed. Larry Diamond and Marc F. Plattner (Baltimore: Johns Hopkins University Press, 1995), 28-44.

44. See Carlos M. Vilas's provocative comments in his "Between Adam Smith and Thomas Hobbes: State, Market, and Privatization in Latin America" (paper presented at the 18th International Conference of the Latin American Studies Association, Atlanta, March 1994).

45. Ibid., 4.

46. See Horacio Verbitsky, *Robo para la Corona* (Buenos Aires: Planeta, 1991); a more general analysis of this problem is offered by Robin Theobald, *Corruption, Development, and Underdevelopment* (Durham, N.C.: Duke University Press, 1990), 77ff.; also Barry Ames, *Political Survival: Politicians and Public Policy in Latin America* (Berkeley and Los Angeles: University of California Press, 1987).

47. William Glade, ed., *Privatization of Public Enterprises in Latin America* (San Francisco: ICS Press, 1991), 8.

48. See Frances Hagopian, "Traditional Politics Against State Transformation in Brazil," in Migdal, Kohli, and Shue, *State Power and Social Forces*, 37-64.

49. Ben Ross Schneider, "The Material Bases of Technocracy: Investor Confidence and Neoliberalism in Latin America" (paper presented at the CEDLA conference "Technocracy and the Politics of Expertise in Latin America," Amsterdam, September 1995).

50. Migdal, "The State in Society," 16.

51. See also Luis Roniger, "Caciquismo and Coronelismo: Contextual Dimensions of Patron Brokerage in Mexico and Brazil," *Latin American Research Review*, 22, no. 2 (1987): 71-99; Casteñeda, *Utopia Unarmed*, 366-73.

52. An exhaustive analysis of this phenomenon is offered by David Lehmann in his *Democracy and Development in Latin America: Economics, Politics, and Religion in the Post-War Period* (Philadelphia: Temple University Press, 1990).

53. Reilly cites a recently published *Guide to Directories of NGOs*, published by the Inter-American Foundation, which mentions more than 11,000 Latin

American NGOs; my own experience in this area makes me believe this to be a modest estimate; see Charles A. Reilly, "Public Policy and Citizenship," in *New Paths to Democratic Development*, 13.

54. Source: extensive interviewing in August/September 1994 with top administrators of key central government institutions in eight Andean and Central American countries as part of an EEC mission evaluating development cooperation policies with Latin America; see Menno Vellinga and Martine Vanackere, *Orientaciones para la cooperación con América Latina en el sector rural* (Brussels: European Commission/DG-I, 1994).

55. The United Nations Economic Commission for Latin America and the Caribbean sketched the contours of this new model of development in *Changing Production Patterns with Social Equity: The Prime Task of Latin American and Caribbean Development in the 1990s* (Santiago: ECLAC, 1990).

56. See Robert Wade, "State and Market Revisited: How Interventionist Should Third World Governments Be?" *Economist*, April 4, 1992, 77. The World Bank's *World Development Report 1991* (Washington, D.C.: World Bank, 1991) underlines the responsibilities of the state in the areas of physical and social infrastructure, a rather radical change from earlier positions; see also the Inter-American Development Bank publications *Report on the Eighth General Increase in Resources of the Inter-American Development Bank* (Washington, D.C.: IADB, 1994), 57ff., and *Elementos para la modernización del estado* (Washington, D.C.: IADB, 1994), passim.

57. Wade, "State and Market Revisited," 77.

58. "The Myth of the Powerless State," *Economist*, October 7, 1995, 13-14; also Nico Colchester, "State of the State, Letter to the Editor," *Economist*, October 28, 1995, 6, emphasizing the external constraints on authority, controls, and power of the state. For a similar view, see Gary Gereffi, "Contending Paradigms for Cross-Regional Comparison: Development Strategies and Commodity Chains in East Asia and Latin America," in *Latin America in Comparative Perspective: New Approaches to Methods and Analysis*, ed. Peter H. Smith (Boulder: Westview Press, 1995), 33-58, esp. 44-46; Hobsbawm emphasizes the indispensable functions of the state in the redistribution of national income, functions that cannot be carried out by private agencies or through the market, cf. E. J. Hobsbawm, "The Future of the State," *Development and Change* 27 (1996): 267-78.

59. See Inter-American Development Bank, *Economic and Social Progress in Latin America 1993* (Washington, D.C.: Inter-American Development Bank, 1993), 302.

60. Robert N. Gwynne and Cristóbal Kay, "Relevance of Structuralist and Dependency Theories in the Neoliberal Period: A Latin American Perspective," *Journal of Development Studies* 16, no. 1 (2000): 49-69.

61. Charles Gore, "The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries," *World Development*, 28, no. 5 (2000): 789-804.

62. See Bresser Pereira, "Economic Reforms and Economic Growth"; also Casteñeda, *Utopia Unarmed*, 414.

63. See Evans, Rueschemeyer, and Skocpol, *Bringing the State Back In*.

64. Morse, "Claims of Political Tradition," 99.

65. See also the argument presented by Eduardo A. Gamarra, "Market-Oriented Reforms and Democratization in Latin America: Challenges of the 1990s," in Smith, Acuña, and Gamarra, *Latin American Political Economy*, 1-16.

66. A classic study elaborating this theme is still Pablo González Casanova's *La democracia en México* (Mexico, D.F.: ERA, 1965).

67. See T. H. Marshall, *Class, Citizenship, and Social Development* (Garden City, N.Y.: Doubleday, 1964).

68. Castañeda, *Utopia Unarmed*, 387.

69. *Ibid.*, 384.

Corporatism in Latin America and Europe

Origins, Developments, and Challenges in Comparative Perspective

Paul S. Adams

By the late 1960s and early 1970s, the failure to either solve or adequately explain the continuing dilemmas of economic and political underdevelopment in the developing world led scholars of comparative politics to seek alternatives to the earlier developmentalist approach. The political, economic, and military crises in Southeast Asia and the Middle East, the series of military/authoritarian takeovers in Latin America, and the continuing poverty and civil strife in Africa illuminated serious analytical deficiencies of the development model.

First and foremost was the normative link between political development as an approach and the value-laden, universal, and inevitable outcome of pluralism and neoliberalism. Underlying the development approach was a fundamental and ethnocentric belief that developing states *should* follow in the footsteps of the Anglo-American or Western experience.¹ This included an inherent faith in neoliberalism and pluralism as both a cure for the developing states' economic and political ills and a buttress against the rising tide of Marxist-Leninism. As Samuel Huntington has suggested, American foreign policy was "handicapped by its happy history" in that there was a perceived dogmatic determinism that economic development would beget political development and stability as well as democracy.² In such efforts, American foreign policy through the U.S. Agency for International Development and other assistance programs sought to engage in state building by promoting both neoliberal

economies and pluralist political structures. From what was perceived as the failed developmentalist model, corporatism as well as other alternative models or approaches, including *dependencia* and state-society relations, emerged from this era of disillusionment and dissatisfaction.

The widespread failure of developmentalism was related to more than the inability of developing states to achieve sustained economic and political development and democracy, despite an influx of billions of dollars in aid and loans from the United States, Western Europe, and international organizations. The development approach also failed to adequately explain a wide range of phenomena that fell outside the pluralist conceptions of state, society, and political process.

The corporatist approach emerged in the 1970s as an alternative model and paradigm. Corporatism was attractive to many in comparative politics precisely because it offered a divergent explanation to many of the historical, economic, and political assumptions of the pluralist model. However, corporatism's historical association with authoritarian regimes, such as Mussolini's Italy of the 1920s and 1930s, proved (and continues to prove) a major stumbling block to the approach's acceptance into the mainstream of comparative politics. Despite the pejorative connotation of the term, corporatism has proven to be a valuable analytical tool in explaining a wide range of state-society relations that remained ignored or underappreciated by the development approach.

While one approach to corporatism emerged primarily out of the disillusionment with development theory and specific case studies in Latin America,³ another approach, arrived at quite independently, arose out of studies of Western Europe.⁴ In numerous Latin American states, the traditional sociocultural political arrangements between the Catholic Church, the military, and oligarchic landowners survived the end of Spanish and Portuguese colonialism and were codified into the modern regimes of the region. In Europe, corporatism had been a popular ideology in many regimes of the interwar era but, in light of the Nazi and fascist experiences and the subsequent Axis defeat, had been discredited. The corporatist ideology—once rivaling both liberalism and Marxism, and often referred to as “the third way”—was infrequently mentioned, and use of the term “corporatism” often met with vehement opposition due to its association with corruption, fascism, and backwardness. But several scholars began observing that while Europeans avoided the use of the term, a number of states were still practicing a form of disguised corporatism. The tripartite

relationships and sets of institutions operating among business, labor, and the state in a number of Western European states exhibited the telltale traits of corporatism despite using pseudonyms such as *communitarianism* or *social partnership*.⁵

Hence, the resurrection of corporatism as a concept and approach flowed from two distinct directions, Latin America (the developing world), where the emphasis was on corporatism's sociocultural foundations, and Western Europe (the developed world), where the institutional basis of corporatism predominated. These two independent currents of corporatism and their respective origins aid in explaining the differences that would emerge surrounding the concept and the utilization of corporatism in comparative politics.

While the controversy surrounding corporatism both as a term and as an approach has never fully subsided, the intensity of the controversy has faded over the past three decades, allowing one to argue that significant elements of the corporatist approach have been absorbed and accepted into mainstream comparative politics. Yet it can also be argued that corporatism never attained the broad level of acceptance as a theoretical approach or methodology that the development model enjoyed. However, with the maturing of comparative politics to include a variety of philosophies, this argument can be applied to almost all of the postdevelopment schools of thought, including dependency theory, institutional approaches, corporatism, and others. Though lacking complete acceptance, corporatism has made a significant contribution in offering an enduring alternative approach in the comparative politics discipline.

This review of corporatism can broadly be subdivided into five sections. The first section will aspire to provide a basic, utilitarian definition of corporatism despite its varied usage and interpretation. The second will recount the foundations of corporatism as both an ideology and a political platform. The third section will follow the emergence of corporatism in practice in the twentieth century. The fourth section will examine the rise and adoption of the corporatist approach and its contribution to comparative politics. The final section will be an evaluation of the future of the corporatist approach in both practice and theory while it faces assaults from the forces of globalization, democratization, economic integration, and socioeconomic transition.

Corporatism: Definitions

The term “corporatism” has been used to describe a variety of ideological, research, and “real world” political phenomenon. Because of its broad usage, “corporatism” carries a certain level of ambiguity, though no more than such terms as “pluralism” and “democracy,” which also exhibit an infinite number of applications. Corporatism is descriptive of an historical approach, a political and social ideology, and a research approach. While each use of corporatism is related to the next, and will be discussed throughout this chapter, a short working definition would be helpful. One of the inherent problems in defining corporatism is in trying to escape its association with fascist regimes such as Mussolini’s Italy. While escaping this pejorative connotation has been an ongoing struggle, it does not diminish the fact that corporatism does describe a form of state-society relationship that is significantly divergent from either pluralist or Marxist models.

Philippe Schmitter’s definition of corporatism, while not the only one, is one of the most cited and utilized:

Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.⁶

Schmitter’s definition, in part because of its widespread utilization, is also frequently criticized. One common criticism is that this definition is far too constrictive, focusing primarily on authoritarian regimes, so as to exclude a variety of nonauthoritarian corporatist regimes and structures. While the Schmitter definition of corporatism is deliberately complicated, Howard Wiarda has utilized a broader and less complex list of three distinguishing characteristics:

1. A strong directing state
2. Restrictions on interest-group freedom and activity
3. Incorporation of interest groups into and as part of the state sys-

tem, responsible both for representing members' interests in and to the state and for helping the state administer and carry out policies.⁷

While each definition of corporatism either expands or contracts the usage of corporatism, they do share a common conception of how corporatism differs from the pluralist assumptions regarding the relationship between the state and interest groups. Corporatism is unlike pluralism in that interest groups' relationships to the state are part of a formal, limited system of interest representation; interest groups are *incorporated* into the state and often controlled and/or regulated by it. Pluralism, by definition, is a system of representation in which an infinite number of groups compete with minimal or no government direction or control; interest groups are autonomous from the state. Another of the corporatist approach's primary distinctions from pluralism is in the role of the central government. In the pluralist model the state's role is to "umpire and referee the group struggle but not try to control it";⁸ in the corporatist model the state plays a more active role not only in intermediation between groups but also in organizing, and recognizing groups and identifying which ones are to be included in the policy and decision-making process. The corporatist model generally assumes a formal or legal system of relationships between the state and societal groups. This differs significantly from the pluralist model, which assumes an informal and segregated relationship between the state and interest groups—and from the Marxist model, which assumes that the state mirrors the existing relationship between classes within the society, and from the totalitarian variant, which assumes the state attempts to totally control all interest group activity.

The broad and narrow conceptions of corporatism lead to a categorization of a variety of corporatist regimes, structures, and systems that are as extensive as those under the pluralist or Marxist banners. Thus corporatism can be found in developed and developing states, in liberal democracies as well as in authoritarian regimes, and also in regimes of mixed types. One primary method of categorizing types of corporatist regimes is the differentiation between *corporatist* and *neocorporatist* regimes. Corporatism, as a term, has come to be specifically applied to the more authoritarian and "top-down" regimes common to fascist Europe and statist Latin America. Neocorporatism, conversely, is generally applied to the more democratic and "bottom-up" regimes common to Scandinavia and continental Europe. These variations in state-interest group relationships will be explored in later parts of this chapter and are crucial to the utiliza-

tion of corporatism within the discipline of comparative politics. However, one should not assume that corporatism as a term must be constructed only in relation to either pluralism or Marxism, though it has certainly shown value in precisely that manner. Corporatism does have ideological and social foundations going back as long as, if not longer than, the other “isms” and should not be construed merely as a middle ground between the pluralist and Marxist approaches.

Historical Origins of Corporatism

This section seeks to provide the social, political, and historical foundations for corporatist thought. While corporatism does describe a particular type of state-society relationship, the ideological origins of corporatism stem from a myriad of cultural, political, economic, theological, societal, and philosophical elements. The principal ideological roots of corporatism that have been explored in comparative politics derive primarily from Western sources of philosophical, social, and political thought. It is also important to note that the Western world has been the area where corporatism has been more completely exemplified in both practice and theory. However, there has been and continues to be valuable scholarship exploring the origins of corporatist structures and regimes in virtually every region of the world. Such research has included studies of Confucianism in East Asia, clan and tribal relations in Islamic and African societies, and Buddhism in South Asia; other corporatist origins are waiting to be discovered or further explored. While this section does primarily focus upon the Western origins, one should not be limited to viewing corporatism as merely a product of the Western social, economic, and political experience. The application of the corporatist approach to a variety of cultures, often those that have a nonindividualist or communalist background, is a testament to its conceptual value and to the diversity of cultures that fall outside the American model.

Corporatism, despite its more modern application, can trace its ideological roots as far as the ancient Greeks, the rise of Christianity, and the Middle Ages. Some authors have traced the ancient origins to three distinct influences: biblical, Greek, and Roman.⁹ The biblical contribution to corporatist thought primarily derives from Saint Paul, who suggested that society and politics is an “organic” unit that, like the human body, operates with “all its functional units integrated, harmonized and performing

their proper function.” The Greek origins relate most closely to Aristotle’s text *The Politics*, in which the distinction between state and society is nonexistent. For Aristotle, the state should endeavor to be “integral, unified and even monolithic” and should be organized along “natural” functional societal lines. This organization along occupational and functional lines would promote order and harmonization of the state, which is conceived as an organic whole rather than a collection of disparate social, economic, and political actors. The Roman contribution to the ancient origins of corporatism included an early version of a functional corporatist regime: the empire was intermittently organized under and operated by a series of corporate associations, including military orders, religious orders, and professional associations. Within these ancient sources most of the foundations for modern corporatism can be found. The ancients shared a view of the state as an organic and unified entity that promotes social and political order by organizing society into functional and ordered corporate units that are regulated by the state.

Further development of the ideological origins of corporatism occurred during the Middle Ages. First was the emergence and predominance of the Roman Catholic Church, which was organized along functional lines of religious orders, teaching orders, caregivers, military orders, monastic divisions, cloisters, and other units. The Roman Catholic Church exemplified the form of top-down, unified, and monolithic organization promoted by much of ancient thought. One of the defining features that distinguishes Catholicism from Protestantism is the very hierarchical organization of church, clergy, and orders.

A second trend was the emergence of artisan and craft guilds, which also promoted a corporatist vision of social, economic, and political organization. The guilds functioned as hierarchical, monopolistic, and regulatory associations that had strong influence upon the economic policies of the times, including wages and trade policy.¹⁰ The Middle Ages were typified by the estate system of medieval feudal relationships between the nobles, the Church, and the commoners. Interspersed within these three main pillars of society were military orders, guilds, and other elements. The Roman Catholic Church strongly supported the estate system through which it could exert tremendous influence in “worldly affairs.”¹¹ Based on rank, social order, and functional organization, the estate was a strong influence upon later corporatist thinkers.

Each generation in the development of the corporatist ideology eventu-

ally came into conflict with the progression of history. The ancient conception of corporatism in the Roman Empire succumbed upon the fall of Rome, the Catholic Church's medieval conception fell to the Reformation, and the feudal origins of corporatism were overtaken by the rise of absolutism and the modern state system. Yet the ideological origins of corporatism would remain as recessive elements in the Western philosophy of politics and society. The French Revolution of 1789 was a tremendous event, for even as it signaled the eventual demise of absolute monarchy across Europe, it simultaneously ended many of the remaining traditional or "medieval" corporatist structures. The promotion of individual rights (liberalism) in lieu of the top-down, monopolistic system of corporate privilege swept across Europe in varying degrees. As the old regime toppled, so did the remaining ancient and quasi-feudal conceptions of corporatism. From 1789 to the mid-nineteenth century, the defenders of corporatism were generally considered reactionary elements, fearing social and political disintegration, looking to restore the absolutism and central direction of the state.¹² The emergence of socialism—an ideology even more radical than liberalism—in the mid- and late nineteenth century was itself a great opportunity for corporatism to provide an alternative to the two other competing ideologies.

In this period a number of thinkers began minimizing the focus upon the absolutism of past corporatist thought and seeking a somewhat more progressive and reformed version of corporatism. These new, primarily but not exclusively Catholic, corporatist writers from Italy, Germany, Austria, Belgium, Switzerland, Scandinavia, France, and Britain resurrected corporatism and developed it into a complete political ideology competitive with its contemporaries. Rather than being primarily confined to Catholic societies, corporatism also gained support in Protestant states affected by the new economic, social, and political challenges of industrialization. The emergence of trade unionism and an industrial working class was crucial not only to the growth of socialism but to the emergence of a more modern corporatism as well. Corporatist principles of harmony between classes (versus the socialist principle of class struggle), of community, and of national unity gained in popularity as an alternative to either liberalism or socialism.

By the late nineteenth century, corporatism emerged as the third major "ism" with a fully developed political ideology and platform. Descending from ancient biblical, Greek, and Roman origins, filtered through the feu-

dal estate and guild systems of the Middle Ages, modern corporatist thought exploded onto a European scene ravaged by the socioeconomic challenges of industrialization, urbanization, and social instability. The popularity of corporatism was due in part to its provision of an alternative to liberalism, which many viewed as corrosive to political and social order, and to socialism, which had within its ideological framework an inherent focus upon class conflict. While these new thinkers utilized and openly cited ancient and medieval origins of corporatism, it should be noted that the corporatist alternative was viewed by most as more than a mere ideological abstraction. Many political and social thinkers also sought corporatism as a pragmatic form of governance that could be utilized to address ongoing socioeconomic challenges while avoiding the perceived pitfalls of either liberalism or socialism.

Despite the increased interest and rhetoric associated with corporatism, the corporatist revolution needed opportunities to complement its ideological motive with real institutional growth. The early twentieth century provided more than enough crises to promote corporatism from an interesting ideological concept to an adopted state strategy of governance. Economically, the series of recessions and depressions of the late nineteenth and early twentieth century peaked in 1929 in the consequential Great Depression. Politically, the prolonged conflict of World War I and the brutality of the Russian Revolution in 1917 brought disillusionment to those of liberal and socialist stripes. These tragedies led many to seek an alternative, which they found in corporatism. While one might suggest that the ancient and medieval origins of corporatism necessarily beget the consolidation of modern corporatist regimes of the twentieth century, this would be an overstatement. Corporatism was often instigated to address the practical and pragmatic concerns of the political elite who feared elements of liberalism and socialism alike. The ideological origins of corporatist thought certainly did provide a particularistic lens by which many modern thinkers and leaders viewed the relationship between state and society, but without the existence of economic, military, and political crises, corporatism might have remained primarily an ideological pursuit rather than a pragmatic one.

Corporatism in Practice: From Early Beginnings to Consolidation

The early twentieth century, especially the interwar era, saw a spectacular explosion of corporatist regimes and structures throughout Europe and

Latin America. While many of these regimes explicitly called themselves corporatist, almost none, with perhaps the exception of Mussolini's Italy, adopted a form of government based solely upon corporate associations. Most regimes of this and later eras adopted and instituted structures and processes that operated in a mixed system of corporatism and other, often liberal-pluralist, forms of governance. While the ideology of corporatism often tended to depict a "pure" form of corporatism, as with any theory put into practice there was tremendous variation and experimentation in instituting corporatist structures within statist regimes.

One should note that liberalism and socialism followed a remarkably similar path. It is nearly impossible to say with any credibility that any state ever adopted a purely liberal or socialist regime, partially owing to the level of dispute in determining exactly what a "pure" form would look like. However, these early corporatist states provided several opportunities for students of comparative politics. First, they afforded a number of case studies of states that exhibited corporatist elements and allowed an opportunity to analyze exactly how corporatism differed from pluralist and socialist states and models. Second, these early states, by exhibiting a variety of structures and processes, provided future comparativists with valuable insight into corporatism, its typologies, and underlying processes. As will be discussed in later sections of this chapter, these regime characteristics would become the foundation of the growth of corporatism in comparative politics and its contribution to the discipline.

Corporatism in practice first emerged in brief and limited forms in Portugal, Greece, and Spain in the late 1910s and early 1920s. However, the first corporatist regime of significant length and application was that of Benito Mussolini in Italy (1922–39). Mussolini utilized corporatism to seek greater control over Italy's economy, especially its volatile unions, and to consolidate his personal authority. While Mussolini's brand of corporatism was merely a façade for his fascist, authoritarian, and totalitarian aspirations, it has unfortunately become the most frequently identified case of corporatism in practice, lending itself to the ongoing usage problems of the term.¹³

The Iberian Peninsula was also home to corporatist regimes that duplicated some elements of the Mussolini model of corporatism. Both Salazar's Portugal and Franco's Spain created corporate units to "manage" the national economy. However, both were rather thinly veiled methods for enhancing authoritarian command and suppressing and controlling labor unions and other societal elements, rather than promoting genuine func-

tional representation. Significantly, it was primarily the Spanish and Portuguese varieties of corporatist thought and practice that were carried over to Latin America.¹⁴

During the interwar era a variety of corporatist regimes were instituted and utilized in a number of European states, including Bulgaria, Poland, Albania, Greece, Lithuania, Estonia, Latvia, Yugoslavia, Turkey, Austria, Ireland, and Romania. Vichy France and Nazi Germany also exhibited some corporatist elements, though these were clearly instrumental, as was corporatism in Mussolini's Italy, in promoting dictatorial control rather than functional representation.

In Scandinavia, Switzerland, the Netherlands, and other northern European states, while corporatism was not adopted as a national ideology or regime type, some corporatist elements were adopted into governmental structures. In many of these states, the most notable corporatist developments were a series of legal reforms that shifted the conflict between labor and capital from outside to inside state purview. The process, while not nearly as comprehensive as in the southern European cases, was decidedly corporatist in forming a formal bureaucratic relationship between labor, capital, and the state. These corporatist reforms were intended to alleviate the growing costs and disruptions of labor-capital disputes, such as general strikes, that debilitated national economies. The adoption of corporatist structures of representation promoted consensual consultation and bargaining between labor, capital, and the state on issues such as wages, pensions, working conditions, and social policy. This pattern would mature in the postwar era and would become central to many Scandinavian and continental European states' management of labor-capital-state relations.

During the same era of European corporatist development, Latin America also began to widely adopt corporatist regimes, structures, and processes. Primarily based upon their Catholic, Iberian, and neofeudal traditions, numerous Latin American states clearly fell into the corporatist category. The regimes of Rafael Trujillo in the Dominican Republic, Arnulfo Arias in Panama, Alfredo Stroessner in Paraguay, and Jorge Ubico in Guatemala typified corporatist organizations based primarily on the three traditional corporate units, the Church, the military, and the oligarchy. More populist regimes, such as those of Getúlio Vargas in Brazil, Juan Perón in Argentina, and Lázaro Cárdenas in Mexico, often included newer and nontraditional incorporated units representing la-

bor, peasants, indigenous peoples, women's organizations, and other socioeconomic groups. In some cases corporatism was found within the structures of authoritarian-military regimes, while in others it was incorporated through civilian political parties or civilian-dominated governments.

The depth, breadth, and durability of corporatist regimes provided students of comparative politics with a bounty of interesting case studies. First, determining whether a regime was corporatist or pluralist, or to what extent a regime used corporatist and/or pluralist structures, would be the basis for numerous individual case studies with an infinite number of potential analytical outcomes. Second, one could compare corporatist regimes or typologies of corporatist regimes for differences and similarities among structures, institutions, and processes. As was seen in the interwar and postwar eras, there was little limitation upon the varieties of corporatism adopted and instituted; it would be up to scholars of comparative politics to sort out what differences existed, why they existed, and why this was important. Third, one could compare the corporatist regimes to noncorporatist regimes, whether pluralist, socialist, or otherwise. The distinctions in the relationship between the state and society, interest-group representation, and how societal conflict is managed within a system would themselves become the basis for much of the corporatist approach and its development within comparative politics.

The early twentieth century unleashed a wave of corporatist regimes and institutions waiting to be discovered and explored. The fact that so many regimes associated with corporatism were also authoritarian or totalitarian hobbled corporatism as a serious approach or theoretical framework in the early development of political science. This was especially true in the United States, where corporatism, in both ideology and practice, was not only foreign but also viewed with dogmatic liberal-pluralist suspicion. It would not be until the late 1960s and early 1970s that another series of crises would propel corporatism into the fray of comparative politics.

Corporatism and Comparative Politics

The inadequacies of the development approach, the seemingly monolithic and unrivaled paradigm of the postwar era, were numerous. The development approach, despite its emphasis upon the recently de-colonized world,

still utilized the First World as the model for both economic and political development. Scholars generally argued that development would and should mirror economic and political development in the Anglo-American mold, would be a cure for the Third World's poverty, and would also help contain the spectre of communism. The ethnocentrism and determinism of the development model became more and more apparent by the mid- and late 1960s. The promise of development of the Third World was not met in either economic or political terms. Despite the influx of billions of dollars in aid, thousands of American military and nonmilitary advisers, and the efforts of the best and brightest, the developing world continued to suffer unparalleled poverty, political instability, and societal upheaval. The failure of both democracy and capitalism in Southeast Asia, Latin America, the Middle East, and Africa illustrated the limitations of development as a guiding principle of foreign policy and as a comparative political approach.

One of the fundamental flaws in the development approach's normative adherence to economic and political liberalism was that almost all nonpluralist structures were criticized as being either primitive or totalitarian. States that maintained corporatist, socialist, or other political structures and regimes were often labeled dictatorial or backward. Therefore, the immediate postwar attitude toward corporatism was decidedly negative, and academic interest in the approach was likely to meet with either apathy or suspicion. However, with the failure of development, corporatism, along with a number of other alternative approaches, gained in both popularity and academic legitimacy.

As with any discipline of study, a new approach possesses its own history, personalities, and contributions to the field as a whole. This section endeavors to address how corporatism has fared as an approach within comparative politics, rather than as an ideology or regime in practice (though these are certainly interconnected pieces of a much larger puzzle). First, the evidence will address the development of the corporatist approach vis-à-vis other approaches. Important to this section will be an understanding of what questions corporatism generated that were either previously ignored or nonexistent. Second, developments within the corporatist approach have had their own influence upon the discipline. This section will address what questions and answers about corporatism and comparative politics in general have emerged from the debate within the corporatist camps. Third, this section will attempt to judge to what extent

corporatism has become integrated within the mainstream of comparative politics and to assess its overall contribution to the discipline. While these lofty ambitions may not be completely fulfilled in these few pages, one should get a sense of the relationship of the corporatist approach to the field of comparative politics and the historical, analytical, and disciplinary consequences of the interaction.

The emergence of the corporatist approach in the late 1960s and early 1970s cannot be viewed otherwise than in the context of the failure of the development model. Corporatism's adoption by many scholars of comparative politics was directly linked to its ability to provide an alternative to the development model, with its inadequate assumptions. First, corporatism provided a challenge to the perceived dichotomy between neoliberal-pluralist democracy and Marxist-socialist-totalitarian dictatorships. While it is unlikely that the world ever truly corresponded to this simplistic and ethnocentric dyad, corporatism certainly aided in expanding the horizons of comparative politics. Rather than following a dogmatic path toward economic and political development in the footsteps of the Anglo-American experience, corporatism also allowed for the possibility that there were other social, political, and cultural routes outside of the narrow development model.

Second, corporatism focused upon political structures and institutions that were largely ignored by neoliberal-pluralist approaches. Where the neoliberal-pluralist view primarily regarded the state as nothing more than an umpire or referee of interest groups' competition, bargaining, and confrontation, corporatism viewed state-society relations as a far more critical and complex relationship. In corporatism, the state took on additional authority not only in intermediating between societal groups but also in choosing which groups were to be represented and how representation would be structured. The recasting of the state as a major actor with its own ambitions, preferences, and activist role was one of the fundamental accomplishments of corporatist as well as other noncorporatist scholars of the era including Skocpol, Stepan, O'Donnell, and Huntington.¹⁵

As an approach, corporatism provided an alternative to both pluralism and socialism while simultaneously focusing upon a number of state-society relations that were otherwise ignored or underestimated by previous scholarship. The early corporatist works tended to be state-level case studies or regionwide comparisons of corporatism in practice. The

early corporatist writers can be divided into two camps, primarily by area of study. The European camp encompassed studies of Britain by Samuel Beer, of Italy by Joseph LaPalombara, and of Norway by Stein Rokkan, and the political economy writings of Andrew Shonfield. The Latin American camp included historical exploration of the Latin American religious, cultural, and sociopolitical basis of corporatism by Richard Morse, studies of corporatism in individual states and as a general theoretical approach by Howard J. Wiarda, and work on Brazil by Philippe C. Schmitter. Both camps' cases illuminated several key elements of corporatism's early contributions to comparative politics. These studies served to illustrate the ways by which corporatism was practiced, including the relationships between the state bureaucracy and the various corporate units, the methods by which corporate states created, adopted, and implemented policies, the linkages between ideological and cultural origins and the modern corporatist state, the structure of modern labor relations, and numerous other facets of a range of corporatist regimes and structures.

Despite these early developments, corporatism as a comparative political approach still lacked several fundamental elements necessary to elevate it to the level of other explanatory paradigms. Corporatism lacked an overall theoretical thread tying the disparate case studies and regions together. It also lacked a brief, utilitarian definition that could simply describe (or perhaps oversimplify) the complex and ambiguous term. However, the early works of the mid-1960s to early 1970s did generate consequential interest in corporatism and inspired scholars to start filling in many of the missing pieces necessary to enhance the approach within the field.

Following the early case studies of corporatism in practice in Latin America and Europe, the challenge was to develop a more general theory about corporatism that could transcend divergent political systems and create typologies of corporatist regimes that explained the differences that did exist. Given the variation among corporatist regimes as a group, many scholars developed distinct labels and classifications of corporatist systems. During this era of the 1970s and early 1980s, numerous such classifications emerged. However, two major classifications of corporatism have notably and broadly contributed to the research: state corporatism and societal corporatism.

Schmitter provided a useful distinction between state and societal forms of corporatism in his groundbreaking article "Still the Century of

Corporatism?"¹⁶ State corporatism generally refers to regimes and institutions that exhibit top-down or authoritarian organization. State corporatism was primarily linked with the developing regimes of southern Europe and Latin America. Wiarda has suggested that because of their Catholic, neofeudal, and particularistic cultural histories, these regimes typify a form of "organic-statist" corporatism where the state plays a dominant role. The other typology, societal corporatism, also called neocorporatism, represents a more democratic, bottom-up organization primarily found in northern Europe. Scholars such as Gerhard Lehmbruch, Leo Panitch, and Peter Katzenstein explored the institutions and structures in societal corporatist states such as Austria, Germany, the Netherlands, and Switzerland, which exhibited corporatist institutions and processes significantly different from those of their state-corporatist counterparts. In these states, the corporate units or groups play a far larger role and the state is much less dominant.

Both Wiarda's and Schmitter's contributions during this era led to the development of a more general theory of corporatism. By setting the broad typologies of corporatism, and explaining not only the differences but also why the differences existed at all, these writers aided in the maturation of corporatism as an approach within the field. Wiarda's work on Iberian and Latin American corporatism aimed at building a broader and more applicable concept of corporatism. Focusing upon the common religious, cultural, historical, colonial, and societal features of the Iberian and Latin American states, Wiarda analyzed the unique tradition of corporatist organization among the regimes of this region. This was clearly state corporatism, top-down and authoritarian, "state-centric," and derived from the Thomistic, Catholic, and Iberic-Latin American tradition. Crucial to Wiarda's early conception was the notion of corporatism embedded within the sociocultural tradition of Iberia and Latin America. This distinctly differed from the second major attempt to form a more general theory of corporatism, conducted by Schmitter.

Schmitter's conception of corporatism was aimed at generating a more universal theory. His definition of corporatism, quoted earlier in this chapter, focused on the institutional basis of corporatist arrangements. Rather than looking at the sociocultural basis of corporatism, Schmitter identified the causes of corporatism as residing within economic variables including the growth of central planning, the need for peaceful labor-capital relations, and the necessity of bureaucratic implementation of

state economic and social policy. Rather than its stemming from culture, Schmitter suggested an “elective affinity” for corporatism in some states, especially those of Latin America.¹⁷

Schmitter’s work on Brazil and Portugal heavily influenced his conception and definition of corporatism. He further subdivided corporatism into the previously mentioned state and societal subcategories. Most notable in Schmitter’s work on corporatism was the overarching definition that cut across cultural lines and suggested theoretical universality, absent from most other contemporary scholarship. These features also proved to be the most highly criticized elements of the work. The definition was criticized by many for being far more descriptive of statist or top-down forms of corporatism than of societal forms of corporatism. The claims of universality also drew the ire of some in comparative politics who viewed corporatism as a valuable approach in some cases and regions but of far less explanatory power in others. Despite the swagger of Schmitter’s universalism and singular definition of corporatism, the work was both innovative and contagious, igniting a firestorm of corporatist works throughout the 1980s.

Schmitter and Wiarda certainly made strong contributions in articulating and consolidating the corporatist approach within comparative politics by developing a more coherent and applicable general framework. More important, however, was their ability to provide foundations for future research topics and directions regarding corporatism. First, the framework allowed for a more comprehensive study of Latin American and European states. By the end of the 1980s virtually every European and Latin American regime, past and present, had been the topic of research using the corporatist framework. Second, the conception of corporatism and the corporatist approach expanded to regions outside the traditional cores of Europe and Latin America. At least some academic attention has by now been given to corporatism in the states of East Asia, Africa, the Middle East, and Eastern Europe. Third, the corporatist approach saw a tremendous increase in case studies of relatively specific policy areas (social security, wages, other welfare state programs), interest groups, and domestic political structures. In addition, rather than merely focusing upon the forms of macrocorporatism at the state level, many scholars sought to use microcorporatism to analyze and explain substate structures and processes.

The Corporatist Contribution to Comparative Politics

In combination, the contributions of Wiarda, Schmitter, James M. Malloy, David Collier and Ruth Berins Collier, and numerous others to developing a more utilitarian and comprehensive corporatist framework must not be understated. Corporatism emerged both as a descriptive term to explain and analyze a wide range of political behavior and institutions and as an alternative model or interpretive theory to neoliberalism and to Marxism-socialism. It is necessary to treat these contributions to the discipline of comparative politics as distinct approaches with distinct identifying criteria. As an explanation, the concept of corporatism has generated theories and frameworks based on propositions, variables, and the other elemental building blocks of the social sciences; these will be addressed later in this section. As a model or interpretation, corporatism has provided an alternative lens through which one could view, understand, and interpret historical, social, and political trends.

Corporatism as a Model

The corporatist model focuses upon two significant elements, an alternative interpretation of national development and a distinct model of state-society relations. In the matter of national development, corporatism suggests that there are a finite number of paths that states may follow in their travels toward development. Corporatism, as has been argued in this chapter, specifically emerged as an alternative to the development approach and its ethnocentric, formulaic, pluralist assumptions. Schmitter explicitly charted three potential development paths for states: pluralist, totalitarian, and corporatist. While Schmitter views the selection of the corporatist path as mainly an instrumental decision, Wiarda's interpretation of the corporatist path gives far more weight to the state's sociocultural background, tradition, culture, and developmental history, although he incorporates a political-institutional approach as well.

The corporatist paradigm also suggests that corporatism may act not only as an alternative path toward development but also as a stage of a longer multitiered development process. Wiarda has suggested that different states may experience different forms of corporatism at different historical stages: traditional (feudal), ideological (late nineteenth and early twentieth centuries), manifest (interwar), and neo- (postwar). This does

not exclude, by design, the argument that in some cases corporatism may be merely an instrument of a state at one particular stage of development. This has provided an opportunity to utilize corporatism much more broadly as a general model of development in a variety of regions that do not share the ideological and cultural basis of European and Latin American corporatism.

Corporatism as an Explanation

The use of corporatism as a method of description is far less controversial than the use of corporatism as a formal theory. As Douglas A. Chalmers has suggested, the corporatist approach has shown greater utility as a heuristic rather than as a formal model. A heuristic, less formal than a model or theory, is primarily aimed at providing ideas, guidelines, and a conceptual framework to suggest a particular way of looking at and analyzing phenomena. Chalmers identifies three heuristic contributions of corporatism to comparative politics: the focus on state-society relationships to explain a variety of outcomes, the examination of differentiation within state structures and processes, and the roles of design and choice in explaining regime structures.¹⁸

As we have suggested, corporatism has been relatively successful in “bringing the state back” into comparative politics. Corporatism’s assumptions are that the state is much more than a mere referee of interest-group competition, that it is an activist entity with its own goals and preferences, and that the relationship between the state and societal groups may equal or exceed in importance the relationships between the groups themselves. Corporatism contributed to delineating the differences among regime types, replacing the dichotomous pairing of liberal, pluralist democracy and Marxist-socialist totalitarianism. It has provided a “third way” between these two models and allowed greater flexibility in providing labels for regimes, institutions, and processes that did not fall clearly within either camp. Corporatism also focused upon the element of choice or design in implementing systems of interest intermediation. The focus is upon the integration and incorporation of interests within the political system as a means to achieve particularistic social, economic, and political goals.

There is little doubt that corporatism has made a number of valuable contributions both as a model and as an explanation in comparative politics. However, there have also been harsh and lasting criticisms of corpo-

ratism and the corporatist approach within the field that raise serious questions regarding what elements of the approach have been more completely absorbed into the comparative politics mainstream.

Evaluating the Corporatist Contribution to Comparative Politics

The corporatist approach's contributions to the field of comparative politics have had mixed results. As an explanation or heuristic tool, much of corporatism has been widely adopted and integrated within mainstream comparative politics. The emphasis upon state-society relations, the structural elements and processes of interest-group incorporation within the state policymaking process, and the use of corporatism in identifying a variety of regimes, institutions, and processes have all been accepted within the field and are decidedly uncontroversial at this stage. Corporatism, especially in its neocorporatist form, has become entrenched as a middle-range and valuable explanatory tool for students of comparative politics to use in a wide variety of case studies.

However, as a theoretical model it has had far less definitive results. Despite the breadth of scholarship that includes numerous case studies and typologies, corporatism still struggles to move from under the shadow of its identification with earlier authoritarian regimes. Numerous advocates of "strong states," often assumed to be authoritarian or at least less compatible with the ideals of democracy as solutions to economic and political development problems, reinforce much of the interwar usage of corporatism that says the state should guide, direct, and manage economic, social, and political life. Continuing definitional problems remain as well. The inclusion of more societal, democratic, and neocorporatist conceptions have helped, but cannot completely replace many of the important statist-authoritarian definitions that spark a normative backlash. Further, the debate over whether corporatism is a product of sociocultural or economic determinism continues to hinder the development of a comprehensive theoretical framework or definition, despite recent efforts to formulate one.¹⁹ Wiarda has argued that most scholars of corporatism can pragmatically accept the less formal, heuristic contributions of corporatism to the field and can remain satisfied without achieving the same level of model construction as other approaches. This does not suggest that there are not new and challenging questions left to be answered including efforts at building a definitive corporatist model. If anything, it suggests that far more work needs to be done.

Corporatism in the Twenty-first Century: Changes, Challenges, and Opportunities

While the corporatist approach fought to gain acceptance within the discipline of comparative politics, political and economic developments of the late twentieth and early twenty-first centuries have unveiled many interesting trends that will likely transform corporatism in both practice and theory. These trends may challenge many of the fundamental assumptions of corporatism, while simultaneously opening up new research opportunities for corporatist scholars and students. First, this section will discuss the changes of the last thirty years that have begun to place pressure upon functioning corporatist regimes, institutions, and processes. Second, it will assess current corporatist research on these changes and challenges, and suggest future research opportunities.

As discussed, corporatism as a comparative political approach has been the subject of intense criticism. Corporatism in practice or as a political formula has shared similar attacks. Specifically, the form of state corporatism reminiscent of the 1930s, epitomized by antidemocratic, authoritarian, repressive, fascist, and top-down structures, has been heavily criticized. Countering this argument are scholars and policymakers who espouse the thesis that corporatism, in which a strong state provides direction and order, ensures the political and economic stability necessary for difficult transitions from underdevelopment, and that only after economic development takes place can the state, perhaps, move toward a more democratic and open regime.

The form of state corporatism being criticized has all but disappeared among the developed states of Europe, East Asia, and elsewhere, replaced by more democratic and social corporatist/neocorporatist (or most notably neoliberal) structures. To be sure, in many developing states in Latin America, East Asia, Africa, and elsewhere, there are still strong arguments for corporatism and its perceived development benefits. However, even within the developing world, discourse has begun to shift away from corporatism toward pluralist, neoliberal, and democratic solutions. There emerge two broad trends: (1) in the developed world, the questions about corporatism almost exclusively relate to neocorporatism and its utilization within a democratic framework; (2) in the developing world, discourse is moving away from both corporatism and neocorporatism.

Within these two trends are a number of interrelated factors that are

the driving forces of change in corporatist regimes. This section endeavors to distinguish how changes at both the state and global level have contributed to challenging the existing corporatist structures and models. While many trends affect corporatism in developing states and neocorporatism in developed states alike, the impact and scope of the effects may be significantly distinct owing to social, economic, and political variations between the developed and developing states.

Changes and Challenges in the Developing World

Developing states are facing a number of domestic and international currents that threaten existing or potential corporatist structures and institutions. Domestically, the process of economic and political development often undermines many of the traditional interest organizations that are the corporate units of the society. A prime example is Latin America, where the introduction of neoliberal economics and democratic politics has eroded many of the preexisting corporate structures and groups—such as the military, the oligarchy, and the Church—while simultaneously creating new pluralist and neoliberal structures within the state and society. The changes within Latin American society over the last few decades have posed an enormous challenge to the corporatist state. Mexico illustrates such a tendency, where liberalization of the economy and democratization of the political system have resulted in a mixed system of corporatism and pluralism. The old corporate units, many of which held a representative monopoly for more than seventy years under the political monopoly of the PRI (Revolutionary Institutional Party), now must compete with new actors that have blossomed out of new social movements, competitive opposition political parties, unincorporated economic interests, and other social, economic, and political developments. This trend is likely to continue as states are transformed through democratization and neoliberalism; the traditional and functional corporate units of society are likely to be broadly affected and, perhaps, marginalized.

However, these changes in developing states cannot be taken completely out of the context of a changing international environment. The forces of globalization and the continuing promotion of a pluralist and neoliberal model by developed states and international trade and development organizations are driving much of the transformation within the developing world. Globalization and interdependence of the world economy have the net effect of attempting to impose a uniform economic

model upon states, and this model is clearly neoliberal in nature. For developing states to participate in the new global economy, pressure to adopt neoliberal economic structures poses a massive challenge to corporatism and other traditional sociopolitical structures. The developing states, in order to participate in the global economy as well as to be eligible for loans and other aid, are forced to reform their existing political structures and economic policies to fit a more pluralist and neoliberal model espoused by the United States, Japan, and Europe.²⁰

Corporatism must now compete with pluralism and neoliberalism in the developing world, and in the long term it may be a losing battle. In the interim, however, there is still significant evidence of the importance and continuing utilization of corporatism and corporatist approaches. The forces of globalization, democratization, and neoliberalism have transformed the corporatist nature of most developing states. While many Latin American states, such as Mexico, Colombia, and Venezuela, illustrate this process, there is widespread variation in the methods, speed, and procedure by which corporatism intermixes with the new pluralist and neoliberal elements. This variety alone can spark an infinite number of case studies that focus upon the continuing relationship between the state, corporate units, and noncorporate interests. As in Mexico, the new “mixed” system exhibits characteristics of both corporatism and pluralism and perhaps new characteristics waiting to be discovered and explored.²¹ In Venezuela the regime of President Hugo Chávez has dedicated itself to a “Bolivarian revolution” to counter the impingement of global neoliberalism and pluralism upon the traditional national institutions. This illustrates that globalization may not deterministically lead to a more neoliberal or pluralist future. Nationalist, regional, or cultural backlashes against the neoliberal and pluralist elements of globalization may very well include a significant and continuing corporatist presence.

One of the trends in many Latin American states appears to be a diversion away from the older and authoritarian forms of corporatism and toward newer forms of neocorporatism. As Latin America has democratized and economically transformed, its form of corporatism has concurrently evolved. This introduces a further dynamic process into our understanding of corporatism. Hence, differentiation among states within Latin America (and other regions as well) is analytically necessary. While more industrialized and democratic states like Argentina, Uruguay, Mexico, and Chile are moving toward more neocorporatist systems, states strug-

gling to democratize and transform economically may still be characterized by traditional or, perhaps, mixed types of corporatist systems. An interesting question that emerges from these developments is whether Latin American states moving toward neocorporatism are closer to the European model of politics than to the primarily American neoliberal and pluralist model.

However, corporatism in practice does seem to be facing a number of significant threats from both state-level and international-level forces in the developing world. Globalization, democratization, and neoliberalism are, in many states, undermining the basis of corporatist politics and institutions. The questions that will likely need to be addressed are, can corporatism survive this assault, and if so, what will such mixed (corporatist and pluralist/neoliberal) systems look like? One of the fundamental issues that these trends give rise to is whether corporatism will still be considered a stage on the development path, or whether liberalism and pluralism will prevail. As mixed systems become more and more prevalent, research on development will likely need to address concurrent corporatist, pluralist, and neoliberal elements. How do these forces interact with each other? What impact will sociocultural factors play on the development of mixed systems? To what extent will existing corporatist structures and processes affect future economic and political development or the stability of democracy? This author does not pretend to know the answers to all these questions, but rather wishes to suggest potential research strategies for students and scholars looking at corporatism in the developing world. It is clear that corporatism in Latin America, East and Central Asia, Africa, and other developing regions must address the continuing trends of democratization, globalization, and neoliberalism as forces that have serious implications for corporatism in both practice and theory.

Changes and Challenges in the Developed World

Neocorporatism has also been under attack by a number of trends, some similar to those of the developing world, some different. Neocorporatism must also face the prospect of globalization, which promotes a primarily neoliberal economic order. With firms becoming global, the neocorporatist structures that link state, labor, and capital are weakened as it becomes more difficult to determine which firms are domestic and which are foreign. Consider the merger of Daimler-Benz and Chrysler to form Daimler-Chrysler: is this a German, American, or transnational corpora-

tion? Further, the ability of states to achieve or even create a macroeconomic policy is diminished. As international trade begins to take on a greater share of states' GNP, as monetary policy becomes more internationalized, and as capital and currencies become more mobile, governments are losing their traditional methods of economic influence and control. The inability of the state to fulfill this primary role undermines many of the foundations of corporatism and neocorporatism. As international corporate operations grow, their susceptibility to the influence of national corporatist regimes and institutions is weakened. The predominance of neoliberalism has also undermined certain key elements of neocorporatism in practice, which include shrinkage of the welfare state, privatization of formerly state-run industries and services, and a general trend toward smaller government in many neocorporatist regimes in Western Europe. As the state's role in welfare policy, macroeconomic policy, and the public sector contracts, the ability of the state to manage neocorporatist arrangements is simultaneously diminished.

This trend is also exacerbated by socioeconomic changes in Europe, including the decline of trade unions and the emergence of a postindustrial economy. Neocorporatism in Europe was primarily aimed at alleviating the tensions between industry and labor. As Western Europe has become less industrial, the importance of this relationship has been marginalized. The post-Fordist era has seen a remarkable decline in union membership and industrial employment, the building blocks of neocorporatism.²² Further, the neocorporatist relationship was clearly based upon a class relationship between capital and labor. However, as union wages have risen, the average industrial union member in Western Europe is more likely to be in the middle class than the working class. This also contributes to the erosion of the fundamental foundations and purposes of neocorporatist systems.

Another trend affecting the neocorporatist institutions of Europe has been the integration of the various national economies within the European Union. As the EU takes on more and more bureaucratic and regulatory functions, the individual national governments have far less ability to implement and enforce neocorporatist policies. With more economic and social policy being decided in Brussels as opposed to London, Paris, Berlin, and Vienna, the supranational challenges to neocorporatism appear to be significant. European integration also seeks to adjust individual national economic and political structures to a more uniform Europe-wide

economic system. As traditionally neocorporatist states become more deeply committed to and integrated within the EU, it is clear that the pressure upon neocorporatist regimes and processes will increase.

Overall, changes within the European economic and political systems have developed into significant challenges to neocorporatism in practice. While this has immediate impacts upon Europe, it also has a marked impact upon the greater application of corporatism in both comparative politics and practice. With the criticisms of state corporatism (top-down, authoritarian, undemocratic), neocorporatism had generally been widely accepted and integrated within the comparative discipline. As such, it had also been frequently cited as a potential model for developing states. However, under the pressures of globalization, neoliberalism, privatization, the contraction of the welfare state, smaller state governments, the decline of unions, the rise of the postindustrial economy, and the transference of sovereignty to the supranational level of the EU, the threats to neocorporatism seem almost insurmountable. The questions that must be addressed under these conditions may be critical to the survival of corporatism in the twenty-first century. Once again, rather than suggesting a definitive answer to the neocorporatism crisis, it would be better to suggest that future research must fundamentally address the numerous challenges enumerated.

Opportunities

Despite the pessimistic tone implied in the focus upon the challenges facing corporatism in both theory and practice, there also exists a sizable opportunity for research on corporatism to expand into new areas while simultaneously progressing in more traditional studies. First, even in consideration of the global and socioeconomic trends transforming corporatism and neocorporatism, traditional regimes and institutions (including corporatism) often display an inordinate ability to persist despite change taking place around them; witness the electoral college's longevity in the U.S. political system. In this vein, corporatism, despite the inundating tidal waves of neoliberalism and pluralism, will likely continue to play a significant role within developing and developed states for a long time. Therefore, there will remain an inherent value in studying the existence and characteristics of corporatist institutions. In fact, as political systems exhibit both corporatist and pluralist elements, no scholarship would be complete without taking both streams into account. The mixed systems

that have developed in Mexico and Venezuela, displaying both corporatist and neoliberal/pluralist characteristics, are examples.

Corporatism can be beneficial in studying supranational- or international-level developments as well. Using corporatism to explain policy-making at this level could provide innumerable research opportunities for the future. As economic policy and decision making increasingly moves from states to regional, international, and supranational organizations, such as the World Trade Organization, Mercosur (the Common Market of South America), the EU, NAFTA, and, potentially, the Free Trade Association of the Americas, the corporatist approach may be extremely valuable in analyzing the structures of interest representation and intermediation within these international and regional regimes. It is ironic that the international organizations that may be promoting neoliberalism as a universal economic model within and between states may themselves sometimes operate under quasi-corporatist patterns.²³ Many nontrade organizations under the United Nations, such as the ILO, the World Commission on Dams, and even Kofi Annan's recent Global Compact program, exhibit some intriguing corporatist characteristics.²⁴

While there is a trend toward supranational organization of the economy, there has also been a commensurate trend of delegating more authority to substate governments and actors. In the EU, this trend has been called subsidiarity and is closely linked to the emergent popularity of federalism in regime design. As states delegate more authority to both supranational and subnational levels, there is an increased opportunity for study of corporatist structures at these levels as well as the national level. While the traditional corporatist approach rested firmly upon the role of states in the realm of power and interest representation, newer research will likely need to continue to address the existence and operation of corporatism at multiple levels of governance. Some recent studies, while critical of subnational corporatism, have already begun to address this topic.²⁵

And of continuing interest is the role of corporatism in developing states, where despite the normative criticisms regarding authoritarianism, corporatism still finds strong support and significant recent evidence of its operation in various forms. The most recent cases from East Asia, including South Korea, Singapore, and Taiwan, as well as examples in Latin America such as Chile and Argentina (at least prior to the 2002 financial and economic crises), suggest that strong political institutions, while occa-

sionally tending toward authoritarianism, can indeed be vehicles for both economic and democratic development. As states continue to consolidate democracy, the paths of development through a statist and corporatist model suggest that corporatism may still have enormous untapped potential. The continuing failures of economic and political development in other states suggest that, despite the monolithic predominance of neoliberalism and pluralism, there is room for alternative approaches. Perhaps Russia and other former communist states are cases that could be addressed by such an alternative. As neoliberalism and pluralism have failed to transform Russian and other postcommunist economies, societies, and polities, the continuing malaise threatens both regional and international political and social stability. One could readily suggest a potential corporatist model for Russian and other postcommunist economies that would enhance stability and the capacity of the state to implement reform.²⁶

Despite the numerous challenges to corporatism in both practice and theory, there is little doubt that the corporatist approach will continue to offer valuable insights. The fact that corporatism and neocorporatism remain strong elements of both developing and developed states suggests that the approach is not merely a transitional stage or instrumental label but a significant description and explanation of interest representation in practice and theory. To be sure, the corporatist approach has had a mixed record of acceptance within the field of comparative politics. However, rather than discrediting the approach, this has only expanded the research opportunities for scholars and students to pursue corporatism and neocorporatism as both an explanation and a model. The challenges that have arisen to corporatism and neocorporatism in practice also allow for a potential explosion of new corporatist research focusing upon areas once left untouched.

Notes

An earlier version of this chapter appeared in Howard J. Wiarda, ed., *New Directions in Comparative Politics*, 3rd ed. (Boulder: Westview Press, 2002).

1. Probably the best-known work of the era was Walt W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (New York: Harper, 1960), which suggested that development goes through stages that bear a remarkable similarity to the English and American experience of industrialization.

2. Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968).

3. Examples include Schmitter, *Interest Conflict and Change in Brazil*, and Wiarda, *Corporatism and National Development in Latin America*.

4. Some important works include Samuel H. Beer, *British Politics in the Collectivist Age* (New York: Knopf, 1965); Stein Rokkan, "Norway: Numerical Democracy and Corporate Pluralism," in *Political Oppositions in Western Democracies*, ed. Robert Dahl (New Haven: Yale University Press, 1965); Alfred Diamant, *Austrian Catholics and the First Republic* (Princeton: Princeton University Press, 1960); and Martin O. Heisler, ed., *Politics in Europe: Structures and Processes in Some Postindustrial Democracies* (New York: David McKay, 1973).

5. In addition to the Beer, Rokkan, and Diamant works, Andrew Shonfield's *Modern Capitalism* (London: Oxford University Press, 1965) details the labor-business-state triangle of policymaking and implementation in the social-welfare states of postwar Europe.

6. Philippe C. Schmitter, "Still the Century of Corporatism," in Schmitter and Lehmbruch, *Trends Toward Corporatist Intermediation*, 13.

7. Wiarda, *Corporatism and Comparative Politics*.

8. Ibid.

9. Ibid.

10. A comprehensive examination of the influence of guilds upon European thought can be found in Black, *Guilds and Civil Society*.

11. Landauer, *Corporate State Ideologies*.

12. Some of the more interesting sources of material for this era include Ralph H. Bowen, *German Theories of the Corporative State* (New York: McGraw-Hill Book Company, 1947), and Matthew H. Elbow, *French Corporative Theory, 1789-1948* (New York: Columbia University Press, 1966).

13. Two texts provide a detailed look into the Italian fascist and corporatist regime: G. Lowell Field, *The Syndical and Corporative Institutions of Italian Fascism* (New York: Columbia University Press, 1938), and Roland Sarti, *Fascism and the Industrial Leadership in Italy, 1919-1940: A Study in the Expansion of Private Power Under Fascism* (Berkeley and Los Angeles: University of California Press, 1971).

14. However, the influence of Italian, German, and other waves of late-nineteenth- and early-twentieth-century European immigration certainly contributed to the twentieth-century implementation of corporatist regimes, especially in the Southern Cone states of Argentina, Chile, and Uruguay, as well as in Brazil and elsewhere.

15. The best works typifying these diverse scholars' similar interest in the role of the state include Huntington, *Political Order in Changing Societies*; Theda Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (Cambridge: Cambridge University Press, 1979); Guillermo O'Donnell, *Bureaucratic Authoritarianism: Argentina, 1966-1973, in Comparative Per-*

spective (Berkeley and Los Angeles: University of California Press, 1988); and Alfred Stepan, *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton University Press, 1978).

16. Schmitter, "Still the Century of Corporatism."

17. Philippe C. Schmitter, "Paths to Political Development in Latin America," in *Changing Latin America*, ed. Douglas A. Chalmers (New York: Academy of Political Science, 1972).

18. Chalmers, "Corporatism and Comparative Politics."

19. Peter J. Williamson has provided some preliminary steps in developing a complete corporatist model in *Varieties of Corporatism*.

20. The analogy of foreign aid and loan requirements to grants within the American system is useful. The U.S. federal government often uses crosscutting requirements, sanctions, and mandates to entice grant recipients to follow certain patterns of behavior, such as establishing affirmative-action programs, mandatory handicapped-accessible buildings, or standardizing blood alcohol limits for driving-under-the-influence laws. In foreign aid and loans, the IMF and World Bank, along with individual states, can attach similar strings, such as more pluralistic and neoliberal policies (including economic austerity plans), to states receiving loans and funds.

21. For an excellent historical and institutional history of the transformation in Mexico, see George W. Grayson's *Mexico: From Corporatism to Pluralism?*

22. Jonas Pontusson, "Explaining the Decline of European Social Democracy: The Role of Structural Economic Change," *World Politics* 47 (1995).

23. For a good example of this type of research, see Michael J. Gorges, *Euro-Corporatism? Interest Intermediation in the European Community* (Lanham, Md.: University Press of America, 1996).

24. While critical of international corporatism, Marina Ottaway's "Corporatism Goes Global" is definitely worthwhile.

25. See Encarnación, "Federalism and the Paradox of Corporatism," and Pelinka, "The (In)Compatibility of Corporatism and Federalism."

26. Blair A. Ruble has linked recent economic reform and improvement in Russia, especially around Moscow, to the institutionalization of corporatism; see "The Rise of Moscow, Inc.: The Future of Corporatism, Part 2," *Wilson Quarterly* 22, no. 2 (1998): 81.

II

Cases and Comparative Studies



The Persistence of Authoritarianism and Corporatism in the Andes

The Case of Peru

David Scott Palmer

Introduction

The most recent political transformation to occur in Latin America is the generalization of formal democracy, a process that brought elections and respect for their outcomes to three-quarters of the twenty countries between 1978 and 1990. While two earlier "waves" of formal democratic emergence had occurred, quite slowly but progressively between the 1870s and the 1920s, and again in the 1940s and 1950s, the contemporary democratic phenomenon is unprecedented in Latin American history.¹ In most cases, it has been accompanied by the implementation of a liberal economic model involving a reduction of the role of the state in the economy through privatization, trade and investment liberalization, and new incentives for private entrepreneurial activity.²

Both transformations are largely the result of the concomitant political and economic failure of the authoritarian regimes that spread through Latin America in the 1960s and 1970s in response to the multiple perceived limitations of the many civilian governments that preceded them. Corporatism, whether derived from historical-cultural forces³ or presented as a structural system of domination,⁴ was the analytical framework used by many scholars to explain and understand these authoritarian outcomes and practices.⁵ In general, they were seen as the expected

political outcome that reflected the retention of the authoritarian Iberian heritage and/or a set of institutional practices designed to retain and enhance the influence of elites. This heritage included statist approaches to the economy as well as specific privileges to favored sectors for selected commercial and economic activities. Most analyses emphasized the durability and likely permanence of this authoritarian and corporatist model of politics.⁶

To what degree does the recent “democratic epidemic” together with its accompanying economic liberalization imply the discrediting of corporatism as a model for citizen-state relationships in the region? On the surface, the routinization of competitive elections and their concomitant democratic procedures and practices, along with the opening up of national economic systems to a greater array of domestic and international private-sector activities, give the appearance of the introduction of a new model of politics. The growing democratic-transition literature has served to displace corporatism as the dominant framework for analysis of Latin American politics.⁷ In this model, the routinization and consolidation of democracy depend to a significant degree on the development of strong, institutionalized political parties.

Not so fast, many scholars would argue—including the authors of the chapters in this volume. There are at least four arenas in which serious doubts about the validity of a full transformation of politics in the region can be discerned.

1. Formal democracy has indeed been established, and in more countries in a shorter period of time than at any point in Latin America’s past. This is an extremely important development in the region’s complex political history. However, all these democracies are still young, and raw, and have not yet become consolidated, except perhaps in Costa Rica, one of only three countries in the region (Colombia and Venezuela are the others) that retained competitive civilian democracy during the most recent wave of authoritarianism from the 1960s through the 1980s. Therefore, we have every reason to expect to find many of the features and elements of the prior authoritarian political systems still in effect and operating formally or informally throughout these new democracies.

2. The impact of history, most especially the Iberian colonial tradition, remains strong, especially in the core areas of the former empires. A strong correlation between the depth of Spanish colonial penetration, on the one hand, and authoritarianism and instability, on the other, has been

demonstrated between independence and the 1970s.⁸ To conclude that this historical-cultural phenomenon has suddenly ceased to affect the rules and procedures of citizen-state relationships, whatever the nature of the new formal political reality that has been established, is to deny the extraordinary and demonstrated impact of colonial political practices on postcolonial realities in Latin America and elsewhere, past and present.

The weight of some three centuries of colonial practice that was drawn from Spain's dramatic unification and Catholic revival at the precise moment of the "discovery" of the New World wore deep grooves in the bodies political, economic, and social there. These continued in multiple forms in all the nations created from this empire, and remain a part of them even today.

Some Latin American countries—Mexico, Peru, Bolivia, Guatemala—previously part of the core areas of the Spanish Empire were especially strongly impacted by this heritage. Here the Crown concentrated its bureaucracy and Spanish-born personnel (*peninsulares*), because native populations were large and resources valued by Spain were extensive. And here, after independence, more of the colonial authoritarian and corporatist procedures and practices were retained. All things being equal, then, we should expect to find more contemporary manifestations of such elements in these core countries than in the peripheral ones formed from areas where Spain paid less attention.

3. In most of the democracies that have been established or reestablished in Latin America since 1978, elections, contestation, and respect for the outcomes have become routinized, even when the opposition wins, as it has in the majority of subsequent elections. These "new" democracies are, in other words, electoral in nature. As important and unprecedented as this development is, it says little about government practice and performance. To date, regular elections have not carried over in most cases to effective democratic regimes that are responsive to the needs and concerns of the governed. Put another way, routinized input democracy has not yet led to nor does it equate with routinized output democracy.

Most of the challenges democracy has had in Latin America over the past twenty years or so relate to the multiple limitations in its performance rather than to serious flaws in or interruptions to the electoral process. To illustrate, there were fewer successful coups in fewer countries in Latin America between 1980 and 2000 than in any two decades since independence, averaging less than five per decade (nine coups in five

countries, seven in the 1980s and two in the 1990s). This compares with an average of just over sixteen coups per decade after independence in the nineteenth century and just below seventeen coups per decade between 1900 and 1980.⁹

These challenges relate largely to poor governance by elected authorities—including corruption, inept judiciaries, ineffective public security for the ordinary citizen, and declining quality of public education and public health, so vital for the less well off.

Of particular interest, then, is to explore the degree to which corporatist practices and perceptions continue to function on the output side of democratic government and the degree to which they have been challenged by the changes and uncertainties introduced by the transition to formal democracy. A major study of postdemocratic governance in Latin America notes that a plethora of new forms of representation have emerged in civil society as ways to cope with the new uncertainties that have been created. They are producing, the authors conclude, an array of new networks of association between local organizations and both governmental and nongovernmental entities that in many cases appear to be corporatist in nature.¹⁰

4. Democracy's multiple problems, in spite of its continuation in most of Latin America, may also reflect, at least in part, the ongoing tension between the forces of political and economic globalization, on the one hand, and of domestic political nationalism, on the other. The new international orthodoxies of democracy and economic liberalization often appear to clash with internal traditions and practices, generating resistances that work to retain much of the old even as the new is introduced. The concern for community and the collectivity over the individual, the desire to retain the Catholic heritage and values, including hierarchy and a sense of one's place in the larger scheme of things, and a rejection of acquisitive materialism are some of the components of such resistance. Amid the changes under way, corporatism retains legitimacy because it represents continuity of heritage and tradition.

With these elements in mind, this study will proceed to review the case of Peru in order to determine the degree to which corporatist elements have continued to play a role since the return to democracy there in 1980. We shall see how the country's profound crises resulting largely from Peruvian democracy's mismanagement by successive elected governments of

different parties provoked a return, over the course of the 1990s, to political practices of the past, many of them corporatist in conception and execution.

Peru: Historical Context

One of the two most important centers of the Spanish Empire in the New World was Peru, site of the capital of the original viceroyalty that encompassed all of Spanish South America from the 1530s to the Bourbon Reforms of the 1760s. The civil and religious administrative apparatus for the region was concentrated here, the population was large, and production of precious metals valued by the Crown was high. Among the countries that were eventually formed out of the Spanish Empire, only Mexico experienced greater overall levels of colonial penetration than Peru.¹¹

Once independent, Peru, like most other former core areas of the empire, experienced much difficulty in establishing a stable political system that opened toward elected civilian rule. No civilian held office for more than a few months before 1872, and the establishment of any kind of democratic government proved elusive. In the country's entire postindependence experience, in fact, there have been only two fairly extended periods of elected civilian rule, 1895–1919 and 1980–92. Peru is among the two or three countries of Latin America with the fewest total years of formal democratic government.¹²

Peru is also distinctive in that the country's leaders did not experiment with fascism in the 1920s and 1930s. That is when this political model appeared in Europe and became an important alternative to liberalism in Latin America in the context of the international economic crisis that provoked the collapse of limited liberal democracy almost everywhere. It was also attractive in its own right because of the nature of its origins in the late nineteenth century within the Catholic Church as it tried to modernize doctrine and become more socially relevant.

Fascism's absence in Peru is explained largely by the rise of the American Popular Revolutionary Alliance (APRA) party in the late 1920s and early 1930s as a political alternative for the emerging middle and working classes. This occurred at the very historical moment when fascism might have gained legitimacy in Peru and have become an option. For Peruvian politics of the period between 1931 and 1962, the dominant dynamic was

between the military and APRA, with the former dominating politics for most of the period in order to control the country's first mass-based party and limit its ability to gain influence and power.¹³

Peru's corporatist political experiment occurred later, in the late 1960s and 1970s, under the aegis of the Revolutionary Military Government of Generals Juan Velasco Alvarado and Francisco Morales Bermúdez (1968–80). This took various forms, but a central component was the attempt to construct a national system of popular participation controlled from the center through the National System of Social Mobilization (SINAMOS) in the context of significant state expansion, a major agrarian reform, and experimentation with industrial and agricultural communities.¹⁴

SINAMOS, the Agricultural Community, and the Industrial Community were envisioned not as political parties but as vehicles for channeling citizen concerns at the local level up through a newly constructed state bureaucracy for central government review and response. Had the military regime not faced multiple other problems, largely as the result of ambitious plans for reform far in excess of the resources available to execute them, SINAMOS and the communities might have succeeded. Growing disquiet over the military's faltering reformist experiment, however, led to widespread popular opposition around the country, in which the local offices of SINAMOS often became lightning rods for citizen protest.¹⁵

Under pressure from within as well as without, the military concluded that the only way out was to return the government to civilian control. Even though much changed in Peru over the military's twelve years in power, most particularly the ending of the local and regional influence of traditional large landowners, the formal corporatist experiment in governance failed totally.¹⁶

The return to civilian rule between 1978 and 1980 initiated Peru's first experience with inclusive mass democracy. All parties were welcome and participated boisterously and enthusiastically in presidential, congressional, and local elections. The largely Marxist left emerged as the second largest grouping nationwide, with particular success at the municipal election level. What began with such enthusiasm, however, was in shambles a decade later. To a significant degree, the deterioration of civilian democratic political rule over the course of the 1980s was due to the errors of the politicians and their political parties themselves. "Politics as usual" trumped inclusive mass democracy.¹⁷

With the return to power of President Fernando Belaúnde Terry (1963–68, 1980–85) and his *Acción Popular* party (AP), personalist and patrimonialist structures were gradually restored. Commercial and industrial elites regained access to power and pursued trade and tariff initiatives favorable to their interests. The agrarian reform ended, as did the experiment in workers' self-management enterprises in the industrial and commercial sectors. The newspapers were returned to their owners. But the restoration of elite privileges was insufficient. Growing political violence in the countryside, international recession, and the inability to respond to popular needs and demands opened the way for the overwhelming electoral victory in 1985 of APRA and its young and charismatic leader, Alan García Pérez (1985–90). For the first time in its sixty-year history, APRA gained executive and legislative power in Peru in its own right.

In many ways, APRA was the country's only true party, with a strong institutional structure, a coherent ideology, hierarchy, and the expectation of total commitment by its members. It was a self-contained corporatist entity, for all intents and purposes. Once in power, García and APRA pursued a statist, nationalist approach at odds with the times and, sadly, once again well beyond the resource capacity of the country.

The government bureaucracy was soon stuffed with tens of thousands of long-aspiring party loyalists. García took on the international financial system with a "10 percent solution," limiting repayment of the substantial foreign debt to 10 percent of export income. After late 1987, foreign debt payments ceased altogether, even to the international financial institutions. In short order, new credits dried up totally as well. Rhetoric replaced programmatic responses to the nation's growing needs. By the end of García's term, Peru was mired in hyperinflation, the virtual elimination of many state services and functions, widespread bankruptcy of commercial and financial enterprises, massive unemployment, and generalized political violence provoked by the growing threat of the Shining Path guerrillas.¹⁸

Over the decade of the 1980s, formal party democracy failed because it did not respond to basic popular needs and demands. Parties reigned but did not rule—effective governance was sorely lacking. After AP's failure between 1980 and 1985, the disgruntled populace elected an opposition party, APRA, which failed even more spectacularly. The Marxist left, which by early 1988 seemed poised to offer yet another party alternative to the now desperate citizenry, self-destructed shortly thereafter. With Shining Path gathering momentum, what options remained?¹⁹

The 1990 national elections represented a major turning point in Peruvian politics. Disillusioned by the havoc wreaked over ten years of dramatically ineffective party politics, Peruvians turned to nonparty alternatives, namely Mario Vargas Llosa and Alberto Fujimori. Fujimori, whose signal distinction was that, as a leading novelist and a university president, neither had any political experience or political party identification. Fujimori (1990–2000) won the runoff because, as a short nonwhite who spoke Spanish with a pronounced accent, he seemed “more like us.”²⁰

Peru: The “New” Politics

In 1990, Peru’s citizenry was desperate for effective governance and a strong hand at the helm—and that was what they got with Alberto Fujimori. As a result, for most of his more than ten years in power, he enjoyed substantial popular support. This support was sustained when Peru reverted to its traditional non-democratic ways with President Fujimori’s *autogolpe* (self-administered coup) that set in motion the progressive creation of a dramatically different model of government. Even the growing authoritarianism after Fujimori’s 1995 reelection was supported for some time by most Peruvians, especially the less privileged sectors of the population. The protests of human rights organizations and opposition groups in the capital, Lima, were largely voices in the political wilderness for several years.

Many Peruvians were willing to tolerate increased infringements on their electoral rights in large part because parties had performed so poorly and were blamed for the crises. People also related more easily to central direction and control at this time, in part because Peru had had little successful experience with democracy over the years and in part because the Fujimori government succeeded where others had failed.

His supporters could justifiably claim his government’s success in four major arenas:

1. It ended hyperinflation, the scourge of all, but especially of the poor, by early 1992. Over the course of Fujimori’s presidency, inflation was steadily reduced and then virtually eliminated.
2. The founding head of Shining Path, education professor Abimael Guzmán Reynoso, was captured in a spectacular operation on Fujimori’s watch, in September 1992, along with the master files of the

guerrilla organization. Even though the president had little to do with these operations, he garnered the credit for their success. In addition, his governments carried out a number of their own initiatives that succeeded by the mid-1990s in eliminating the guerrilla threat to Peru. These included military support and training for local civil defense committees (*rondas campesinas*), rapid if often summary justice by military and civilian courts headed by “faceless” judges for trials of guerrilla “terrorists,” a repentance law to reintegrate citizens caught in Shining Path’s web, and multiple local development programs.²¹

3. Fujimori’s administration succeeded in restoring economic order to the country, including the progressive reintegration of Peru into the international economic system. Sustained economic growth began in 1993–94 through significant economic liberalization reforms that produced major new foreign investments and loans.

4. Fujimori abandoned the discredited party system as a vehicle for transmission of popular supports and demands and concentrated on the new government bureaucracy instead as the primary vehicle for connecting the citizen to the system.

With the old political and economic system discredited and in shambles, the opportunity existed to build anew, and the Fujimori government did so. Central government was virtually reinvented on the ashes of the old even as parties and electoral democracy were progressively undermined. This “new” government apparatus began to function with considerable effectiveness, especially in starting to meet long-standing popular needs and demands.

Society and local community organizations were also in crisis by 1990 owing to government failures and to Shining Path’s massively repressive and destructive strategy to gain power. With the military responding with equal repression, traditional organizations and relationships were destroyed. The 1990s under the Fujimori governments represented the reconstruction of civil society in large swaths of Peru as peace and a modicum of security returned, and as government began to expand toward the periphery to fill long-abandoned political spaces. A wide array of NGOs proliferated to assist as well.

With the increased capacity of central government to reassert itself throughout the country, an array of new local organizations emerged

through initiatives both by central government and local citizens. Many were calibrated to meet specific local needs, and many began as part of an official requirement to approve and administer the growing array of local government infrastructure and development programs. The result was the creation of new networks of interaction and exchange. Corporatism was reborn or rekindled in the nexus between the government and the citizenry—and goods and services were delivered once again in the process.²²

Peru: Corporatism and Informal Politics in Civil Society— The Case of Ayacucho

The dynamics and processes by which the Fujimori governments of the 1990s restored political and economic stability to Peru, including the creation of a new set of official agencies and interactions with the citizenry, are multiple and complex. To illustrate how these worked in practice it is useful to explore them in one area of Peru, the historically isolated and impoverished department (state) of Ayacucho. This region has the distinction of being one of the country's poorest, with more than 77 percent of the population of 512,000 in 1997 classified as poor, very poor, or extremely poor, compared with 43 percent nationwide.²³ It is also the department that was most affected by the political violence of the 1980s and early 1990s. One-third of the more than 30,000 deaths in Peru from this conflict occurred in Ayacucho, with close to 40 percent of the total population displaced to other parts of the country.²⁴

Both the government and the NGO community responded to the challenge that the situation in Ayacucho represented. More than thirty NGOs, largely foreign-financed, have been operating in the department over the past decade, with total budgets ranging from \$5 million to \$20 million per year. The most important of these include CARE Peru, World Vision International, Rural Educational Services (SER), the Center for Population Development and Promotion (CEPRODEP), the Institute for the Promotion of Development and Peace in Ayacucho (IPAZ), and FINCA Peru. Their reach into the neighborhoods and communities of the zone is remarkable, with contacts in two-thirds of Ayacucho's estimated 600 peasant communities, and with about 260 organizations in urban neighborhoods of the department's two cities, Ayacucho and Huanta.²⁵

In addition, the new government agencies established during the early Fujimori years, most within the Ministry of the Presidency, carried out a range of activities in the department with total annual budgets of \$30 million to \$40 million. The most important include the Office of the Public Defender, the Social Compensation and Development Fund (FONCODES), the Resettlement Support Program (PAR), the National Food Assistance Project (PRONAA), and the National Project for Water and Soil Conservation Management (PRONAMACHCS). Together they reach virtually every community in Ayacucho with a variety of small-scale projects ranging from school lunch programs and legal protection services to electrification, irrigation, reforestation, and access road and trail building. Some, like FONCODES and PRONAMACHCS, require the establishment of local elected project oversight committees for implementation of their programs.

Together these official and extraofficial organizations generate multiple opportunities for both traditional and nontraditional clientelist interaction. Government programs can be seen to represent a corporatist modality in most cases, with resources available through government agency representatives in exchange for local organization creation and responsiveness to the agency. This is a modality that replaced political parties as vehicles for securing benefits from the government. It is also a stimulus to organizations at the local level to accomplish other goals, in expressions of what might be called "informal politics."²⁶

Overall, one can see in Ayacucho during the Fujimori governments the development of three principal mechanisms of local citizen relationships with outside entities. One is the largely clientelistic relationship with the NGOs, a new option beyond government that gives local groups alternatives not previously available for access to resources. A second is the largely corporatist relationship with official agencies, with the reinvented government agencies working with local organizations as required by their mandate. The third is a variety of spin-offs at the local level that derive from the new capacities and infusion of resources to community and neighborhood organizations that permit them to engage in a variety of activities not envisioned by the outside actors.

The result is a rich and varied mosaic of organizations and interactions. Some have a tendency to recreate clientelistic relationships, others to tie local populations more closely to the government through corpo-

ratist structures, and still others, whether by intention or not, to stimulate informal politics within a newly emergent civil society at the local level.²⁷

The agency FONCODES is a good example of the reinvention of government in Peru in the 1990s with significant corporatist and clientistic elements. Created in 1991, FONCODES invested more than \$813 million nationwide in small infrastructure and development projects through 1997, largely in the poorest districts of Peru.²⁸ Of this total, almost \$44 million went to some 1,400 projects in Ayacucho. Housed within the Ministry of the Presidency, FONCODES has a central office in Lima and twenty-five regional offices countrywide. With only three hundred employees in all, mostly engineers with advanced degrees, the organization was able to devote about 85 percent of its budget to projects rather than to administrative expenses. For a project to go forward, the community must meet, agree on the specific activity it wants, and elect a committee that has responsibility for overseeing and implementing it. The regional office reviews, approves, visits to check on progress, and officially hands over the project to the community when it is completed. FONCODES provides the money and the technical expertise, the community the labor, and the elected committee the day-to-day oversight.²⁹

These projects provided material benefits to the local populations and contributed to a significant reduction in extreme poverty between 1994 and 1998. Along with other programs of both governmental and nongovernmental agencies, they also strengthened civil society in the process. At the same time, FONCODES recreated official corporatist and clientelist relationships between citizens and government, which in this case provided positive benefits to the citizenry.

As the elections of 2000 approached, however, FONCODES and other government agencies became increasingly used for partisan political objectives. Employment in FONCODES was increased by more than 400 percent, key professionals were replaced by political operatives, and the agency began to condition its resources and relationships on assurances of political support from beneficiaries. Between 1998 and the April 2000 elections, FONCODES and its counterparts in other government agencies were turned into promoters of Fujimori's re-election. The corporatist and clientelist elements of these official organizations became instruments of coercion and co-optation, suggesting how easily an agency organized on corporatist principles can be changed, in the absence of instruments of accountability, through manipulations from the top.

Conclusion

New Democracy, Retention of the Old

Peru established a fully participatory formal electoral democracy in the aftermath of the military's nonparty corporatist alternative. However, along with party democracy came the restoration of many of the pre-military government structures of elite privilege and prerogative, in a context of personalist and clientelist interaction between citizens and the state. With APRA's victory in 1985, the party in power changed, but the structures of privilege and clientelist practices did not. Only after Fujimori's surprising electoral triumph in 1990 was a new set of governmental structures created that resembled in significant ways the non-party corporatist approach of the 1968–80 authoritarian government.

Citizens began to relate to these new agencies, often in organized groups as mandated by the agency, to secure resources for local infrastructure and development projects. The agencies, very hierarchical in nature from the centralized organization in the Ministry of the Presidency through regional offices down to the local citizen organizations, effectively replaced parties as the vehicles for interaction between citizen and state. Unlike the military corporatist experiment, this civilian organized initiative largely succeeded.

In the unprecedented political and economic crises of the late 1980s and early 1990s, Peru reverted to a modern variant of the historical corporatist model of the Iberian tradition, a variant that also served to restore central government control over the periphery and to generate support for that government. Certainly part of the retention of traditional political practices in Peru after the reestablishment of formal democracy may be attributed to democracy's novelty in the transition phase. However, the dramatic multiple crises Peru suffered over the course of the 1980s were clearly more significant in opening up the possibility of recreating a framework for state-citizen interaction that was corporatist in many of its manifestations.

Core Areas, Greater Retention

Certainly Peru's limited experience and even more limited success with democracy over the years since independence affected the political leadership's ability after 1980 to routinize and consolidate the democratic process. Without experience in the practice of compromise and the search for balance-point solutions to controversial issues, the tendency was to

push forward with political agendas, however ill advised and inappropriate. The long-standing legacy of executive dominance, without well-developed mechanisms for holding the head of state accountable, reinforced this tendency. With the historic mechanism of military intervention through the coup no longer available to cut off governments that were failing to perform, the downward spiral could and did accelerate in Peru to the point of the virtual collapse of the state by 1990.

President Fujimori's recourse to the *autogolpe* in 1992 was fully backed by the military and probably would not have succeeded without its support. It reflected not only the depth of the multiple crises in the country but also the long-standing and deeply embedded authoritarian traditions of the core areas of the former Spanish Empire in the New World. This successful break with democratic procedures in Peru was the only such case in Spanish America once civilian government was restored or established between the Argentine military coup in 1976 and the brief coup in Ecuador in 2000. While the forms of democracy were restored in Peru in 1993 under intense pressure from the international community, democratic practice was not. From the *autogolpe* until the unceremonious flight of Fujimori from Peru in November 2000, the country reverted increasingly to authoritarian procedures and practices that included significant manifestations of corporatism as well.

Output Democracy, New Forms of Corporatism

Peru's experience over the course of the 1980s with electoral democracy was spectacularly unsuccessful. Parties and their leadership were discredited and the citizenry, in desperation, turned to a nonparty alternative. In the minds of the great majority of the Peruvian population, their selection of Fujimori proved to be justified by his actions—a set of policies that ended hyperinflation, restored economic growth, and ended the scourge of generalized political violence propagated by Shining Path. The *autogolpe* was widely supported at home, however opposed by the outside world.

Fujimori's successes and the popular approval they engendered enabled him to build a new governmental structure and to implement a set of programs through it that began to meet popular needs and demands in ways the prior governments had never been able to do. In their organization and program implementation, these new agencies reflected new forms of corporatism—top-down, centralized bureaus with specific mandates

and a hierarchical structure that connected to local organizations created in many cases for the sole purpose of implementing individual programs in neighborhoods or communities.

In the heyday of these agencies, between 1994 and 1998, thousands of projects involving expenditures of hundreds of millions of dollars were carried out, measurably improving the lives of the least advantaged sectors of the population, tying them closer to government, and generating networks of corporatist association. Parties and representative government became increasingly irrelevant in the process. It was only after 1998, when many of these agencies were turned into vehicles to mobilize support for the re-election ambitions of President Fujimori, that their initial purposes and successes were subverted—and increasingly opposed.

Nationalism versus Globalization: Resistance and Retention

The Fujimori governments had little choice but to try to take advantage of the growing forces of globalization to restore economic dynamism to Peru and salvage the country from total collapse. With his wholesale adoption of economic liberalization and restoration of foreign debt repayments, Fujimori gradually regained the support of the international financial community. Combining this with drastic internal measures, Peru was able to muster the resources necessary to construct and implement a new set of government agencies and programs.

Even so, Fujimori often insisted on doing it his way, from the *autogolpe* to the increasingly authoritarian initiatives to gather total control into the hands of the executive. The president adroitly combined the need for outside financial support with the construction of his country's own distinctive response to the challenges of governance. He built a structure that responded increasingly well to an array of expressed needs and demands of the Peruvian people, especially those who had been left out under previous governments. Free enterprise mixed with corporatist initiatives in a solution that was distinctly Peruvian.

Growing U.S. government concern with the less savory aspects of this authoritarian project was unable to sway the Peruvian government to change course. It was only when the regime became too blatant in its efforts to retain control, and when the magnitude of the corruption at the center became known, that sectors of the now outraged domestic opposition could mobilize to force out Fujimori and his key associates. While the insurgents succeeded in restoring more open and transparent democratic

processes, most of the government apparatus built by the Fujimori regimes remains in place and functions much as it did before. While Peruvian authorities were unable to resist many of the forces of globalization, they continue to try to adjust them to their own values and priorities.

To conclude, over the past twenty years Peru changed in many ways. Multiparty electoral democracy was restored and gradually discredited. Political violence devastated large swaths of the country. Hyperinflation, combined with gross financial irresponsibility in meeting international obligations, undermined the entire economy. In increasingly desperate circumstances, the political leadership turned again to authoritarian practices that included significant corporatist elements, many of which provided significant benefits to the poorest sectors of the population. The process also contributed to increasing the capacity and the organizational diversity of civil society. Amid change and challenge, recourse to traditional corporatist practices contributed to the re-stabilization of the political system and improved governance. Democracy has now been restored once again to Peru, but corporatism lives on as well.

Fujimori's success in governance may be attributed in large measure to the degree to which his output-based system responded to long-standing traditions within Peruvian political culture. He built on these traditions to fashion a corporatist model of governance that succeeded in part because of its congruence with basic norms of Peruvian political culture. A major reason why full pluralist democracy has been so difficult to establish in Peru—and is likely to continue to be so—is the retention of authoritarian traditions within Peruvian political culture. While one might argue that the forces of globalization and modernization can be expected to progressively erode this cultural heritage, Peru's place as a core region as the result of almost three hundred years of Spanish authoritarian rule ensures that the process will be slow and fraught with challenges.

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Authoritarianism, Corporatism, and Chilean "Exceptionalism"

Brian Loveman

Chilean history textbooks and American political scientists tend to share a view of Chile as "exceptional" when compared with other Latin American political systems. In some ways this view is justified, as we shall see. In other ways Chilean political history shares with the rest of Spanish America a colonial legacy of authoritarianism, racism, and intolerance followed by persistent contestation among advocates of imported liberalism, anarchism, socialism, Marxism, fascism, and "neoliberalism" to define the nature and to control the operation of politics and society.

Never, not even in the heyday of "Chilean democracy" (1932-73), did a definitive consensus emerge on the character or proper ends of politics and government. In the last seventy years of the twentieth century this lack of consensus resulted in pervasive ideological conflict and political polarization, occasional military interventions, and an extended period of harsh military rule from 1973 to 1990. After 1990 a return to elected civilian government occurred, but the 1980 constitution and most of the "modernized" architecture of political authoritarianism imposed by the military regime remain in place in 2002. Efforts to modify the military-imposed constitution are under way, and some changes will likely be enacted. But whether Chile will eliminate the authoritarian and corporate foundations of its political "exceptionalism" and establish a "democracy without adjectives" remains in doubt.¹

Was Chile a democracy before 1973? Since publication of Robert Dahl's classic work, *Polyarchy: Participation and Opposition* (Yale University Press, 1971), efforts to define "democracy" have focused on the extent and freedom of competition (contestation) and on the extent of

citizen participation (versus exclusion) in comparing and classifying political systems. Multiple other dimensions have been added to these basic features of "democracy," leading eventually to construction of the Freedom House, political rights, civil liberties, and combined indices (and to many other efforts to theorize regarding "semidemocratic" systems, "restricted democracy," "illiberal democracy," and even "besieged democracy"). In Chile, the military regime (1973–90) and its civilian allies called the system created in the 1980 constitution "protected democracy."

Beyond full and effective suffrage and political contestation, making possible periodic legal, peaceful changes in government, there are no universally accepted criteria for classifying a political system as "fully democratic," even in the western European and Anglo-American traditions.² A frequently mentioned criterion, "rule of law," is posited alternately as a requisite for democracy or as an essential defining dimension.³ Often the "missing attributes" for "full democracy" that lead theorists and area specialists to relegate particular systems to one or another category of "democracy with adjectives" are embedded authoritarian legacies that have become "natural" parts of the local political culture or constitutional and statutory reactions to pressures for expanded participation and different forms of representation.

Illustratively, Chile was "more democratic" on the dimensions of periodic elections, political contestation, and legal government succession than other Latin American countries in the period 1932–70. But important groups were excluded even from the electoral arena for much of this period. Women did not vote in national elections until 1949 and illiterates not until 1970. In addition, the Communist Party was outlawed and its voters eliminated from the electoral registries from 1948 to 1958. Communists and those identified as "communists" were also excluded legally from leadership in the labor movement and from government employment. Discrimination against indigenous peoples, especially the Araucanian-Mapuche groups in the south, further limited political participation. Moreover, as demonstrated below, systematic and recurrent use of regimes of exception, internal security legislation, jurisdiction of military tribunals over civilians, extensive censorship of the mass media, and other restrictions on civil liberties and rights preceded the military regime of 1973 by many decades. In this sense, Chilean democracy was always somewhat restricted and relied on constitutional and statutory limitations on civil liberties and rights to sustain political order.

On the other hand, Chilean political development *was* somewhat "exceptional" within Latin America. Despite brief civil wars in 1829–30, 1851, 1859, and 1891, Chilean politics was remarkably stable in the nineteenth century. A single constitution, promulgated in 1833, remained in place until 1925 with only minor reforms, none before 1874. In Spanish America only Uruguay came close to this record. From 1831 until 1871 four presidents, each securing reelection for a second five-year term, governed the country without illegal succession or military coups. This record of legally elected executives was also unequaled in this period in Latin America. In 1871 constitutional reform prohibited presidential reelection, a norm never breached after that date.

From the late nineteenth century, Chile developed a complex multi-party electoral and representational system that allowed competing elite factions to jockey for influence and power. Presidential control of the electoral mechanisms and fraud prevented opposition candidates from entering the Senate until 1874. In the Chamber of Deputies, however, opposition congressmen were a consistent feature of legislative debates and lawmaking from the mid-1840s. The Chilean congress exercised more influence, established more effective budgetary control over the executive, and operated more routinely than other Latin American legislatures. Electoral and constitutional reforms from 1874 until 1970 gradually expanded the electorate, eliminating all property, gender (1934, 1949), literacy (1970) and other restrictions on adult suffrage.⁴ A new constitution in 1925, and later reforms beginning in 1943, pushed the system toward the sort of presidentialism more common in Latin America, but they never eliminated an important role for the congress. Only in Uruguay and Colombia, perhaps, did legislative institutions continuously play as significant a role in the twentieth century.

In addition, after 1932 private voluntary associations and interest groups operated relatively freely, with the exception of repression of "communist" organizations and restrictions on voter registration in the 1948–58 period. The mass media, especially newspapers and magazines, included a full ideological spectrum, albeit with important censorship and self-censorship in operation. Chilean political humor magazines and editorial cartoons spared no public figure. The armed forces rarely intervened directly and publicly in politics from 1891 until 1924. After military coups in 1924–25 and 1932, Chile was the only country in Latin America to routinely hold local and national elections without interrup-

tion and to experience no illegal government changes from 1932 until 1973.

Notwithstanding this Chilean exceptionalism, from the wars of independence (1810–18) to the present, advocates of political liberalism and those who favored updated versions of the country's authoritarian traditions contested each other for control of the nation and the design of its political institutions. Chile shared with the rest of Latin America the struggle to consolidate republican institutions with the eventual victory of presidentialist regimes (1818–33, 1833–91), the temporary ascendance of imported political liberalism and parliamentary institutions (1891–1924), the crisis of parliamentarism and flirtation with variants of corporatist and statist models (1920–38, 1973–90), periods of “liberal democracy” or at least its apparent ascension (1891–1924, 1932–70), revolutionary or deep reformist episodes (1938–41, 1964–73), authoritarian reversions (1927–32, 1973–90), and “restoration” of “democracy” (1990–present).

In the course of this history, major political parties on the right and left rejected liberal democracy as the appropriate political model for the country; corporatist and authoritarian institutions remained embedded within republican Chile while newer versions of corporatism were tested and implemented. In the 1930–60 period, rightist parties repeatedly made proposals—which were rejected—for functional and corporatist representation in the congress and for limitations on suffrage. Nevertheless, corporatist-like institutions in a variety of policy arenas were blended, sometimes overtly and other times almost invisibly, with the apparently democratic institutions that made Chile “exceptional” in Latin America.

The long-term result of this process (as of 2004) is a constitutional and institutional order and a political culture that reflect a complex blend of the institutions and practices of the Iberian past, nineteenth-century French, Spanish, and English liberalism, late-nineteenth-century authoritarian liberalism and Prussian military traditions, and corporative institutions influenced by Primo de Rivera's and Franco's Spain and Mussolini's Italy. After a military coup in 1973 and the “refoundation” of the political system as “protected democracy” in 1980, it has endured, with challenges and small changes, into the first years of the twenty-first century.

As indicated, Chilean “democracy” had been a hybrid regime well before the 1973 military coup. The Chilean military government adopted a new constitution in 1980 in part to implement a neoliberal economic model but with institutional design, ideological inspiration, and political

objectives consistent with authoritarian and corporative principles. This constitution was nicknamed by its civil-military authors the "constitution of liberty." Inspiration for the 1980 constitution and complementary legislation came from Chile's rich tradition of "authoritarian liberalism"—intellectual and political efforts to achieve order and liberty, especially economic freedom guaranteed by authoritarian politics, from the time of the presidency of Manuel Montt (1851–61) to the beginning of the twenty-first century.⁵ But it also was inspired by the political theories of Carl Schmitt and Luis Sánchez Agesta, important theorists of authoritarianism and fascism in Europe.⁶

It is not possible in a short article to provide a history of the evolution of Chilean "democracy" nor to fully elaborate the character of Chilean "exceptionalism." Instead, this article focuses primarily on the authoritarian and corporatist underpinnings of "democratic" Chile in the twentieth century, especially in the period 1924–73; the adaptations of these authoritarian and repressive institutions and legal structures by the military regime after 1973; and the current status of Chilean "democracy." First, however, an historical synopsis is provided for the period 1810–1925, highlighting the authoritarian and corporatist foundations of Chilean politics and putting the Chilean case in a rough comparative frame within Spanish America.⁷

Chilean Independence and Nation-State Formation

After a period of disorder and constitutional experimentation in the first two decades of the nineteenth century, Chilean conservative forces defeated proponents of liberalism and federalism in a battle at Lircay in 1830. The victorious general in that battle, Joaquín Prieto, assumed the presidency and in 1833 imposed a constitution that would survive until 1925. In alliance with a landowner-merchant elite, the regime established in 1833 permitted presidents to control elections through a centralized, autocratic administration and to control potential political opposition with constitutional provisions for regimes of exception, especially through the declaration of a state of siege and the use of "extraordinary powers" (*facultades extraordinarias*).⁸ Constitutional regimes of exception in Chile amounted essentially to "constitutional dictatorship"—that is, formal suspension of civil liberties and rights (*garantías*) as specified in the constitution to confront "internal commotions" when the congress

was not in session, which was nine months of the year, as stipulated in Article 52 of the constitution. The president could declare a state of siege, with the advice of the Council of State (composed of ministers, ex-ministers, members of the high court, army and navy officers, and representatives of the Church). According to Article 162, the constitution was “suspended” in any part of the country declared in a state of siege, and the president could use “extraordinary powers” conceded by the congress—or, if the congress was out of session, self-assigned until that body sat again—to meet the threat to internal security.

This provision remained in effect without change until 1874. For more than half the period 1833–61 Chile was governed under a state of siege or through presidential exercise of *facultades extraordinarias*. Chile was the first Latin American republic to adopt constitutional state-of-siege provisions (borrowed from revolutionary France) as a foundation of its constitutional regime; it would be copied in the Caribbean, Central America, and other countries of South America.⁹

Admiration in Spanish America for Chilean “exceptionalism” thus began as a tribute to *order* in times of chaos and anarchy in most of the newly independent ex-Spanish colonies. To this constitutional foundation of order in the new republic, Chilean legislators and authors of the military regulations (*ordenanzas*) added special authority for the armed forces in times of internal war and political violence. Expanding on the privileges and special jurisdiction (*fueros*) of military personnel and military tribunals in the Spanish colonies, Chile’s Ordenanza Jeneral del Ejército (1839) provided that when a part of the country was declared a *provincia de asamblea*, the commanding officer could issue edicts (*bandos*) as need be, and that dissident civilians could be tried in military tribunals. In the next decade, the country’s first Law of Internal Administration (Ley de Régimen Interior) further centralized the administrative system, making regional *intendentes* and provincial *gobernadores* direct appointees of the president and fusing, in some instances, military and civilian authority as necessary for purposes of maintaining internal order.

During this period the Chilean state maintained the colonial prerogatives of the *patronato*, allowing the president to appoint high-ranking clergy, disburse subsidies for Church activities, and censor papal decrees and bulls “inconvenient” for the government (Article 81(13)). In part for this reason, the government also concerned itself with censorship (“abuse of freedom of the press,” as guaranteed in the 1833 constitution). Relatively strict, if sometimes laxly enforced, press censorship thus became

another important feature of the Chilean political system, with legislation in 1846 and 1872. More modern press and mass media censorship (Decree Law 425) would be implemented, along with a new constitution, in 1925.

Along with regimes of exception, a special political and legal role for the military and for the Catholic Church, and censorship, after the mid-nineteenth century Chile's political leaders sought to protect themselves against political dissidence and ideological subversion with a new criminal code (1874) that covered sedition and various crimes against the internal security of the state. Based on Spanish, Belgian, German, French, and other Spanish American codes, the Código Penal (Articles 121–136) even imposed sanctions on those public employees who, "having the duty to resist uprisings due to their official position, do not do so with all the means at their disposal," though instead of jail time they would be banned from public service for a period ranging from three years and one day to ten years (Article 134).¹⁰ In 1881 banditry and concerns about control of a more mobile rural population induced the congress to adopt a new Rural Police Code to reinforce landowner control over the vast haciendas of the central valley with their tenant farmer-voters who provided the electoral base that sent landowners and their relatives to the congress.

By the beginning of the 1880s Chile had a unique and admired variant of authoritarian republicanism in place. Elites contested one another for places in the legislature and posts in the public administration; police, landowner foremen, private security, and what Chileans called "the weight of the night"—fear and custom—controlled the 90 per cent of the society excluded from active participation in the country's political life. The Catholic Church, attached to the republican state and subsidized by it through a modified *patronato* system, lost some of its influence as liberalism advanced toward the end of the nineteenth century, but the clerical Conservative Party continued to exercise significant influence and support Catholic education, morality, and the Church's political interests. Although ideological challenges to the Iberian and Catholic traditions gradually eroded certain aspects of the colonial order, including Church control over education, cemeteries, and registration of births and deaths (in the 1880s), no other institution exerted a more extensive territorial presence or normative influence in the society. At the same time, the social, economic, and political systems remained highly exclusionary, stratified, and repressive.

War against Peru and Bolivia (1879–84) dramatically changed Chile's

northern boundaries and incorporated into national territory the mineral-rich lands of the Atacama Desert.¹¹ For the next thirty years, nitrate (*salitre*) exports would finance public works and schools, military modernization, and expansion of the public administration. Nitrate revenue permitted Chilean elites—after a civil war in 1891 that enhanced the role of the legislature and the agrarian elite but left some 10,000 dead—to avoid taxing themselves and to engage in an extended experiment in parliamentarism.¹² The tension between the relative power of the president and of the legislature had been temporarily resolved in favor of the latter.

During these thirty-three years (1891–1924) shifting political party coalitions and personalist factions dominated national politics. The growing “social question”—how to incorporate the growing working class and middle sector groups into the political system—received little effective attention by political elites. Strikes and protests were met with police and sometimes military repression, but the political class failed to devise more flexible, responsive mechanisms for a modernizing society. Instead, politics focused on alternating ministerial coalitions (530 ministers, more than 120 changes in coalitions) and public works patronage during successive presidential administrations. In a sense, “political issues” that concerned the elite had reference to the constitution, press laws, and legislative debates; other issues, those that guaranteed maintenance of order and the lives of the other 90 to 95 percent of the population, were settled by police and military intervention when “normal” operation of the authoritarian corset proved insufficient.

World War I and its international repercussions confronted Chile with choices faced also in Europe and the rest of Latin America. The rise of more militant workers’ organizations, the influence of the Bolshevik Revolution in Russia, the rise of fascism in Spain and Italy, and the spread of these ideological currents to the Western Hemisphere brought a crisis of participation and incorporation to Chile as well. At this juncture Arturo Alessandri, a populist politician nicknamed the Lion of Tarapacá, emerged from the Liberal Party to bring the rhetoric of class conflict and the challenge of political reform to the forefront. Though Alessandri had become part of the “political class” and was adored by some sectors of the middle and working classes, his efforts to extract reforms from the congress were frustrated by the traditional elite. A military coup in September 1924 ended the “parliamentary republic,” dissolved the congress, and

sought to impose labor laws, social security reform, and constitutional change.

After internal wrangling among officers and negotiations with civilian politicians brought Alessandri back to office, the military forced a constitutional reform committee, almost literally at bayonet point, to approve a new constitution and hold a plebiscite to legitimate it.¹³ When Alessandri realized that he would not be allowed to govern without military tutelage, particularly that of the minister of war, Col. Carlos Ibáñez, he resigned after first promulgating the new constitution. Theoretically the new constitution went into effect immediately, but it would not be fully implemented until 1932.

The 1925–1932 Interim

After Alessandri's resignation and a brief interlude of uncertainty, Emiliano Figueroa was "elected" president. In practice, however, the minister of war, Carlos Ibáñez, had the last word on most issues. The new constitution eliminated congressional authority to remove ministers and provided for mechanisms to accelerate and close legislative debates. Much of the congress's traditional budgetary authority had also been eliminated or eroded. President Figueroa, even with his new authority, could not overcome Ibáñez's influence; when Figueroa resigned in May 1927, Ibáñez as minister of the interior "legally" succeeded him as president, then won the presidency outright in virtually uncontested elections.¹⁴

Ibáñez, an admirer of Primo de Rivera and Mussolini, intended to modernize the governmental apparatus, circumvent the legislature, restrict the activities of the autonomous labor organizations and political parties, and create a government-sponsored labor movement. He governed through decrees and decree laws, using the congress when he could fabricate temporary coalitions to support his program. In 1930 he convinced the leaders of the major parties to use an idiosyncrasy of the election law to reshape the congress. The law permitted elections to be dispensed with when there was only one declared candidate in any district. The major parties agreed to select one candidate per district across the country; this decision, taken at the Chillán hot springs resort, gave the new congress its nickname Congreso Termal.

Ibáñez, like most of his advisers and some of the leadership of the traditional rightist parties, had little use for liberal democracy. From 1927 to

1931 secret police systematically repressed labor and leftist organizations, intimidated opposition politicians and political movements, and developed networks of paid and coerced informers. Notwithstanding these police-state measures and the extensive nepotism and clientelism that characterized his government, Ibáñez also undertook the reconstruction of Chilean government. His administration created a national police force (the Carabineros), new public enterprises, a central bank, and a land colonization agency and encouraged broad expansion of state intervention in the economy. Inspired in part by his Prussian training as a young officer, in part by European corporatism, Ibáñez sought to expand interest-group and functional representation in policymaking, coordinated by the executive branch. In 1931 he also pushed through a new labor code written by technocrats steeped in a Chilean version of the International Labor Organization conventions. The labor code attempted to stimulate creation of government-friendly labor organizations that would collaborate with capital in the economic development of the country. The Labor Ministry, with its elaborate system of conciliation boards and labor courts, would “contain” class conflict while legitimating organized labor’s restricted participation within the political system. At the same time, the government repressed Marxist and socialist labor organizations, sending their leaders into exile, internal banishment, or prison. By the time Ibáñez, under pressure from the economic depression and from mounting student and political unrest, resigned and went into exile in August 1931, the Chilean state had grown and its role in public enterprise and regulation was increasingly important. The 1931 Labor Code, with periodic modification, framed business-labor-state relations even after the military dictatorship of 1973–90.

Corporatism in the Chilean Political System

No systematic investigation has been published of the expansion of the Chilean state—public and semipublic enterprises, regulatory boards, specialized advisory boards, financial institutions—or of the participation of employers, employees, and other professional and interest groups within such institutions during the 1924–31 period, or after.¹⁵ By the 1920s, however, major economic sectors had developed peak organizations that had direct access, and usually representation, within ministries, public enterprises, and regulatory agencies that directly affected their interests.

Among the oldest of these were national associations in the sectors of agriculture (Sociedad Nacional de Agricultura, SNA, 1838), commerce (Cámara Central de Comercio, CCC, 1858), manufacturing (Sociedad de Fomento Fabril, 1883), and mining (Sociedad Nacional de Minería, SONAMI, 1888).

This trend, reinforced in the post-1925 period, continued even after "restoration" of democracy in 1932, becoming an essential if often invisible component of Chilean politics.¹⁶ An incomplete but illustrative list of government and semigovernment agencies in which the Sociedad Nacional de Agricultura, the most important landowners' association, had representation would include: State Railroad Council (1925); Agricultural Education Council (1925); Army Factories and Armories (1925); Agricultural Council (1925); Central Bank (1925); Agricultural Credit Agency (1926); Epidemics Council, Ministry of Agriculture (1926); Appeals Tribunal for Land Tax (1928); Agricultural Colonization Board (1928); Superior Council of Equestrian Development, Ministry of War (1929); Export Commission (1929); Agricultural Export Board (1930); Normalization Commission (1930); Central Customs Board (1930); Advisory Commission, Exchange Control Commission (1931); Staple Products Commission, Santiago (1931); National Savings Administration (1933); Council on Nutrition (1933); Conciliation and Arbitration Board, Santiago Province (1933); Superior Labor Council (1934); National Economic Council (1934); Administrative Commission for Cold Storage Facilities (1934); National Housing Authority (1937); National Council on Nutrition (1937); Chilean Development Corporation (1939).¹⁷

Taking the Agricultural Colonization Board as an example of this model for corporatist representation in government, Law 4.496 stipulated that this institution—created to establish, direct, and administer agricultural colonies to increase production and encourage subdivision of agricultural property through colonization with national and foreign peasants—would have a directorate composed of a president, designated by the president of the republic, and a board of directors to include "the directors of the Ministry of Development's Departments of Agriculture and Colonization, the director of the Agricultural Colonization Board, three councillors named by the nation's president, two of whom should be agricultural colonists, a member of the National Agricultural Society board, and a member of the Agricultural and Cattle Society of Osorno, and a member proposed by the Agricultural Credit Board, and another by

the directorate of the Central Bank" (Article 2). Multiply this by dozens of similar corporatist institutions, and we see that many of the "workhorse" policymaking agencies of Chilean politics consisted of overlapping and interlinked networks of employer, professional, and, later, even working-class organizations.

Emblematic of this understudied feature of Chilean politics were two institutions created after a major earthquake in Chillán in 1939, the Reconstruction Agency and the Chilean Development Corporation (CORFO). The legislation stipulating the respective directorates of these institutions reveals the great breadth, variety, and interconnectedness of such corporatist representation, from major associations in agriculture, industry, mining, commerce, and finance to the most important national labor confederation.¹⁸

This sort of interest-group corporatist representation in government agencies became a part of Chilean politics, taken for granted rather than resisted. As labor organizations grew stronger and as other groups pushed for their own representation in this system, the relative weight of business was questioned, and during the Christian Democratic (1964–70) and Unidad Popular (1970–73) governments, loss of influence by these groups contributed to their frustration and their support for the military coup that occurred in 1973.¹⁹

Chilean "Democracy," 1932–73

After Ibáñez's resignation in 1931 there followed an interlude of government instability and revolutionary initiatives. Most, though not all, political actors sought to simulate conformity with constitutional norms in government succession. Ibáñez left the government in the hands of the president of the Senate, Pedro Opaso Letelier, a right-wing stalwart. Elections, ostensibly in accord with the 1925 constitution, brought Juan Esteban Montero to the presidency, but the Thermal Congress refused to dissolve itself and call for legislative elections. On June 4, 1932, a military coup led by a folkloric air force colonel, Marmaduke Grove, declared Chile a "socialist republic." Grove and his cabinet lasted less than two weeks; they would be replaced by a series of leaders who, in theory, carried forward the program of the socialist republic. During seventeen months the country saw several civilian and military governments, ideological and administrative confusion, and an uprising in the navy that was

put down by the army air force. The government blamed the navy rebellion on communist agitators aboard ships of the fleet.

In these conditions, the construction of Chile's "restricted democracy" continued. In 1932 the government adopted an internal security law (Decree Law 50) that would be the foundation for similar ("amended") legislation in 1937, in 1958, and under the military government after 1973. Other decree laws from these *de facto* governments remained in place at the end of the twentieth century.

By the time that Arturo Alessandri was again elected president toward the end of 1932—and the modern version of Chile's vaunted democratic exceptionalism began—the authoritarian and corporatist dimensions of Chilean politics had been embedded deeply. Numerous instances of corporatist representation within the panoply of government agencies and public enterprises made political "representation" a much more complex picture than exclusive focus on elections of municipal councillors and national legislators would suggest. Chile's particular amalgam of authoritarian liberalism, Iberian and Catholic institutions, corporatism, and nationalism became the foundation for the country's "restricted democracy." Elections would select presidents and legislators, but regimes of exception, national-security and antiterrorist legislation, censorship, and a pervasive social conservatism would limit the full democratization of Chilean politics.

Table 1 summarizes major constitutional and legal foundations of "restricted democracy" in Chile developed by 1932; table 2 highlights the main additions to the political architecture of restricted democracy from 1932 until 1972.

From 1938 to 1964 alternating leftist, centrist, and rightist coalitions sought to govern the country as inflation, ideological antagonisms, and populist pressures pushed the system of restricted democracy to the precipice. Electoral reforms in 1958 eliminated landowner control over the peasant vote; in 1961 the rightist parties lost their veto power in the legislature.²⁰ Influenced by the Cuban Revolution and Cold War fallout, Chilean politics became even more polarized. U.S. meddling in the country's elections, political parties, the labor movement, peasant organizations, and the mass media further complicated the national efforts to accommodate the traditional system to the pressures for change and the demands for social and economic reform. Adhesion of some leftist parties and movements in Chile to a "Fidelista" program, including the possibility of

Table 4.1. Protecting Chilean "Democracy," 1833–1932

Constitution	1833	State of siege (implemented by decree or Congress on various occasions from 1831 to 1861); emergency powers (<i>facultades extraordinarias</i>) (delegated various times from 1833 to 1861)
Press laws	1812	Censorship law
	1846	"Sobre abusos de la libertad de imprenta"
	1872	"Sobre abusos de la libertad de imprenta"
	1925	Decree Law 425
Ordenanza de Intendentes (Internal Administration)	1821	
Ordenanzas (Military Code)	1839	Establishes military jurisdiction over civilians
		for stipulated crimes; role of military in internal administration; amended 1852
Ley de Régimen Interior (Law of Internal Administration)	1844	Fusion of civil and military internal administration; amended 1885
Penal Code	1874	Title I: crimes against external security and sovereignty of the state; Title II: crimes that affect constitutional guarantees (civil liberties and rights)
Law of Rural Police	1881	
Constitution	1925	State of siege, emergency powers, etc.
Decree Law 425	1925	Press and media censorship
DFL ^a 143	1931	Press and media censorship
Decree Law 50	1932	First modern internal security law

a. DFL—Decree, with Force of Law

"armed struggle" to take power, set the stage for a "revolution in liberty," an effort to take "the peaceful road to socialism," and then a military coup that eventually transformed "restricted democracy" into "protected democracy."

Chilean "Democracy," 1964–73

In 1964 the Christian Democratic Party candidate, Eduardo Frei Montalva, won enough votes to take office without a coalition government. For the first time in the twentieth century, the executive branch would be directed by a single political party. President Frei, whose party also briefly controlled a majority in the Chamber of Deputies (but not the Senate) promised to carry out a "revolution in liberty" (to distinguish this "revo-

Table 4.2. Protecting Chilean "Democracy," 1932–1973

Law 6.026	1937	Law for internal security of the state
Law 6.834	1941	Tasks armed forces with supervising elections
Law 7.200	1942	Authorizes president to declare "emergency zones"
Military Code	1944	Reaffirms military jurisdiction over civilians; crimes against flag, patriotic symbols; see esp. Title III, Arts. 418–420, on meaning of "estado de guerra" and "tiempo de guerra"
Law 8.987	1948	Law for "permanent defense of democracy" (derogated 1958)
Law 12.927	1958	Law for internal security of the state
Law 13.959	1960	Authorizes president in case of public calamity to declare a "state of emergency" for affected zone during six months
Law 15.576	1964	Press and media censorship (nicknamed Ley Mordaza or "muzzle law")
Law 17.798	1972	Arms control law

Note: On the use of these constitutional and statutory provisions from 1932 to 1973, see Felipe González Morales, Jorge Mera Figueroa, and Juan Enrique Vargas Viancos, *Protección democrática de la seguridad del estado: Estados de excepción y derecho penal político* (Santiago: Universidad Academia de Humanismo Cristiano, 1991).

lution" from the socialist "revolution" promised by the leftist coalition candidate, Salvador Allende). Supported by the Catholic Church, by Christian Democrats in Europe, and by the U.S. Alliance for Progress as an alternative to the Cuban revolution in Latin America, Frei carried out profound agrarian, labor, and social reforms from 1964 to 1970.²¹

Christian Democratic ideology and programs emphasized creation of a "communitarian" society, neither capitalist nor socialist, based on Christian principles of solidarity and participation. Partly a modernized version of corporatist practices—linking government-sponsored women's, youth, peasant, and urban shantytown-dweller organizations to a variety of new government agencies—and partly an effort to mobilize the poor and disorganized to "incorporate" the supposed "marginals" into Chilean society, the Christian Democratic programs succeeded in raising expectations and creating many new social and political organizations. They also greatly expanded the proportion of the labor force that belonged to local, regional, and national labor organizations. The Christian Democrats claimed to support liberal democratic principles, in general, but to reject the excessive individualism and inequality characteristic of modern capitalist societies. Their political proclamations and policies reflected the

confusion and divisions within the Christian Democratic party, simultaneously populist, corporatist, and mobilizational.

The Christian Democrats' mobilization from below encouraged socialist, communist, and even rightist countermobilization, pushing the political and social system to the brink as demands greatly exceeded the government's ability to deliver on its promises. Despite "Chileanization" of the copper industry, land reform that directly benefited more than 25,000 peasant families, construction of some 250,000 new housing units, creation of thousands of *centros de madres*, *centros de vecinos*, urban community organizations, land reform cooperatives (*asentamientos*), peasant production cooperatives, and the funding of massive public works programs, the political left criticized the Christian Democrats for cooperating with U.S. policymakers and foreign investors and for being "merely reformist" instead of revolutionary. The political right viewed the Christian Democrats as Marxists disguised as Catholic reformers—or, as the popular joke had it, "like a watermelon: green on the outside and pink on the inside" (a reference also to the Christian Democratic Party's official colors).

Too radical for the political right and center, not radical enough for the revolutionary left, the Christian Democrats were isolated by 1970. By a narrow plurality, and with less than 37 percent of the popular vote, the country elected the Socialist Party's Salvador Allende as president in 1970. The rightist candidate Jorge Alessandri, son of Arturo and himself an ex-president (1958–64), finished a close second. Despite U.S. efforts to prevent Allende from taking office, including support for terrorists who killed the army commander in an effort to blame leftists and prevent the congress from confirming the Allende victory, Latin America's first elected Marxist president took office in late 1970.

More has been written on the three-year Popular Unity government (1970–73) than on any administration in Chilean history. The short version is as follows: The Allende coalition, dominated by socialists and communists, attempted to carry out political and economic transformation of the country without enough popular support; it was opposed by the political right and center and faced the antagonism of the United States. United States intelligence and other government agencies collaborated with the internal opposition and the Chilean armed forces to overthrow the Allende government. A military coup on September 11, 1973, ended the Unidad Popular experiment. President Allende committed suicide af-

ter defending the presidential palace which came under attack by Chilean air force planes and army units.

The armed forces, the political right, and the United States government claimed that Allende wished to establish a totalitarian Marxist regime in Chile. Allende claimed that he wished to establish a democratic socialist system. Whatever the validity of these claims on both sides, the Cold War context and the historical aversion to Marxism of the Chilean right, the Church, the armed forces, and other important sectors of society spelled disaster for the Allende government.²² For the next seventeen years the country would be ruled by a military-dominated government that blamed all the country's troubles on "politics" and international communism, that rejected liberal democracy, and that sought to redesign the political system to construct what its leaders called "protected democracy."

Establishing and Consolidating "Protected Democracy": 1973–89

In retrospect, the phases of the Chilean military regime are fairly straightforward, though at the time of the coup no coherent plan existed for institutional transformation: overthrow of president Salvador Allende (1973); dictatorship under a military government (1973–81); "transition regime" as specified in the 1980 constitution "approved" by plebiscite (1981–90). In 1988, on October 5, a plebiscite rejected continuation of General Pinochet as president for another eight years, and another plebiscite on July 30, 1989, approved constitutional reforms negotiated between the political opposition and the military regime, which paved the way for presidential elections on December 14. On March 11, 1990, the first elected president and congress since 1973 took office. While the un-amended version of the 1980 constitution was in effect, "transitory article" 24 assigned to the president (General Pinochet) special repressive authority; even without invoking this article, the country was governed under one or several simultaneous regimes of exception during fifteen years.

Before adopting a new constitution in 1980, the military junta explicitly tied its decrees, decree laws, and "constitutional acts" (1976) to existing statutes and regulations, defining their actions as amendments, modifications, or "applications" of existing law. Chile's authoritarian tradition, the regimes of exception in the 1925 constitution, laws regarding censorship, national security, gun control, terrorism, and the existing

military code and regulations provided an elastic juridical foundation for dictatorship. Of course, sometimes the junta went well beyond any possible interpretation of existing law—but most often it sought to legitimate its actions, even retroactively, with decrees and decree laws putatively linked, however tenuously, to the previous constitutional and legal system.²³

The initial actions of the military took the form of *bandos* (edicts), as specified for “times of war” in the nineteenth-century Military Code. *Bando* 5 justified the overthrow of the Allende government for having violated the constitution and promoted class conflict, while affirming the legitimacy of the military junta and the moral and civic obligation of the citizenry to obey its orders. The junta further advised that, under the declared of state of siege, strict censorship would be applied, in accord with the existing censorship law (*ley sobre abusos de publicidad*). Political propaganda would be punished under the existing military code, and persons in possession of arms or explosives would be severely punished in accord with the existing military regulations and the arms control law (*bando* 17). Other *bandos* relied on the authority of the existing law on internal security and other repressive legislation.

In addition to the *bandos militares*, the military junta relied on decree laws—that is, “legislation” approved without the congress, with the junta assuming the “legislative powers”—another little-studied but important aspect of Chilean politics. The state of siege was declared ostensibly on the authority of Constitutional Article 72(17) and the Code of Military Justice, Part I, Title III, the latter imposing military jurisdiction on civilians “as if in a state of internal war.” Under this authority, “trials” by military courts and sentences of death or prison were legal. Appeals of sentences could, theoretically, be heard by military tribunals—in times of war. Decree Law 5 clarified these dispositions, affirming that the country was, legally, “in a state or time of war.” Important to note is the formal reliance on existing legislation (even when violated in practice), in particular the Code of Military Justice, Law 12,927 on internal security of the state (a law whose original language dated in part from Decree Law 50 of 1932), and the arms control law adopted in 1972 under the Allende government. These laws and decrees were a foundation for the repressive decrees of the military junta, in particular Decree Law 5 of 1973. This pattern continued throughout the 1973–90 period, with periodic adjustments, refinements, and tightening of the legal screws on opposition politicians, media, and movements.

Table 3 illustrates, without being exhaustive, the basic "legal" foundations of military rule from 1973 to 1980. The central point is that the military regime nearly always sought legitimacy for its actions in existing constitutional, statutory, and administrative authority. However, it clearly stretched credibility in this effort and frequently ignored legal inhibitions when committing atrocious violations of Chilean constitutional protections of civil liberties and rights and international human rights laws. In addition, the military regime restricted greatly the role of political parties after outlawing Marxist parties and those that had participated in the Allende coalition. Judicial autonomy was also further curtailed, even as entrepreneurs, professional associations, and especially the armed forces and national police were extended special prerogatives in the new political system.

Table 4.3. "Legal" Foundations of Military Rule, 1973–1980

Decree Law 3	September 11, 1973	Declaration of state of siege, defined initially as "state of internal war"
Decree Law 4	September 11, 1973	Declaration of state of emergency in provinces and regions
Decree Law 5	September 11, 1973	Decree interpreting Military Code of Justice, affirming "state of war"
Decree Law 8	September 11, 1973	Delegation to military authorities of power to rule through military edicts (<i>bandos militares</i>) and to exercise judicial authority over civilians
Decree Law 81	November 6, 1973	Authority to expel persons from country during state of siege; lasted until 1978 and later reimposed several times
Decree Law 521	June 14, 1974	Official creation of DINA (secret police, accountable to Pinochet, that already functioned extraofficially in late 1973)
Decree Law 527	June 17, 1974	Charter of the military junta (Estatuto de la Junta de Gobierno)
Decree Law 604	August 10, 1974	Prohibits entry into country of persons who spread or support doctrines that threaten national security or who are known to be "agitators or activists"
Decree Law 640	September 2, 1974	Defines various "regimes of exception"
Decree Law 788	December 4, 1974	Provides that "decree laws" of military government have effect of amending 1925 constitution

continued

Table 4.3—*continued*

Supreme Decree 890 (Minister of the Interior)	August 26, 1975	Modifies state security law; greatly restricts civil rights and liberties (<i>garantías constitucionales</i>)
Decree Law 1.281	December 11, 1975	Authorizes military commanders to censor or suspend publication of up to six editions of magazines, newspapers, and other media
Constitutional Acts		
Decree Laws 1.319 and 1.551–1.553	January 9, 1976, and September 11, 1976	Amend 1925 constitution regarding “essential foundations of Chileanism,” regimes of exception, constitutional rights and duties
Decree Law 1.877	August 13, 1977	Modifies Law 12.927 (internal security law); increased presidential authority during states of emergency
Decree Law 1.878	August 13, 1977	Creates CNI (new secret police to replace DINA) and details its authority
Ministry of Defense	December 6, 1977	Modifies arms control law; tasks minister of defense with administration of provisions
Decree 400	April 19, 1978	State of siege ends; country remains in state of emergency
Decree Law 3.168	February 6, 1980	Authorizes internal exile (<i>relegación</i>), for up to three months, of persons who alter or seek to alter public order (modifies Decree Laws 81 and 1.877)
Plebiscite for new constitution	September 11, 1980	Occurs under “state of emergency”; constitution adds new regime of exception, “state of perturbation of internal peace,” with special powers for president thereunder

Source: Adapted from Brian Loveman, *Chile: The Legacy of Hispanic Capitalism*, 3rd ed. (New York: Oxford University Press, 2001), 273–74; in the original, the table continues until 1987.

The Military Junta and the 1980 Constitution

On September 13, 1973, two days after the coup, the military junta created a constitutional advisory committee, the Comisión Constituyente,²⁴ notwithstanding their declaration that the coup had been carried out to “restore” a constitutional order that, according to the military and its

civilian partisans, was in danger of being replaced by a Marxist totalitarian system.²⁵ The Junta governed the country through decrees, decree laws, and "constitutional acts" (1975–76) until 1981, under the theory that it had assumed the "original constituent authority" (*poder constituyente originario*) of the country, thereby becoming the "ultimate sovereign power."²⁶ In 1974 Jaime Guzmán, the leader of the so-called *gremialista* movement at the Catholic University during the Allende government and principal author of certain parts of the 1980 constitution, had declared: "The military junta has assumed total power, and is responsible for its acts only before God and history."²⁷ Although this declaration, founded in the supposed "natural right of rebellion against tyranny," went beyond any pretense of constitutional and statutory continuity, Guzmán also frequently relied on previous law to legitimate actions of the military junta.

The sessions of the Comisión Constituyente document the theoretical and doctrinal foundations of the constitution eventually submitted to plebiscite in 1980 and implemented in 1981.²⁸ In addition to Guzmán, various civilian constitutional law experts and distinguished citizens, including ex-president Jorge Alessandri, participated in the constitutional debates. Alessandri had proposed, at the end of his term in 1964, constitutional reforms that would have added corporate representation in the Senate. At the time these proposals did not prosper. In his role as a member of the Council of State (Consejo de Estado) in 1980, Alessandri insisted that three evils had made governing Chile difficult: absolute liberty of the press, lack of responsibility of legislators, and politicization of labor unions. He argued that the new constitution should address each of these issues.²⁹

Restrictions on political activity by labor unions, press censorship, and "constraining" legislators in any sort of new congress had been addressed initially in the Constitutional Acts (1975–76) and "labor law modernization" decree (1979). Now these restrictions on civil liberties and political activity would be incorporated into the new constitution, as would permanent representation for all three branches of the armed forces and the national police, and other "institutional senators," appointed rather than elected, from the judiciary, the universities, and the office of the comptroller general. The armed forces were made "permanent guarantors" of the institutional order. A National Security Council that included all military commanders and the head of the national police had the authority to convoke itself at the request of two members—even without presidential approval—and to warn the congress, the president, or other government

actors if their behavior should threaten national security or the basic institutions of the state.

The senate created in the 1980 constitution would pose a particular difficulty for governments elected after 1990. With senators chosen for eight-year terms and permitted reelection, a minority could impede constitutional reform and legislative initiatives because of the “extraordinary quorums”—three-fifths or four-sevenths—required for various sorts of legislative action or constitutional reform. Every four years half of the seats were renewed. Eight of the senators would be appointed rather than elected; three of these were selected by the armed forces and one by the national police (Carabineros). In addition to the appointed senators (called “institutional senators” because they represented the armed forces, the courts, the national security council, etc.), former presidents would automatically become “lifetime senators” (*vitalicios*).

Despite various initiatives to eliminate these institutional senators, they still remain an important part of the political system. Most observers agreed that they would eventually be eliminated in favor of a fully elected senate, but only if the binominal electoral system introduced by the military government—two-member districts with guaranteed representation for parties or coalitions that win at least 34 percent of the vote—was essentially retained, thereby providing the political right some “overrepresentation” in the congress. Debates over these two provisions continued, with many legislators and the rightist parties favoring elimination of the institutional senators, perhaps in 2006 to allow the incumbents to serve out their terms. Less agreement exists on modifying the election system.

Corporate Representation during the Military Regime

Key civilian supporters and policymakers of the military regime favored drastic curtailment of liberal democratic institutions and voting systems. No elections were held until 1989, and then only as a means of “transition” to full implementation of the 1980 constitution. Divisions existed within the business and entrepreneurial sectors, however, over economic policies and the extent to which the so-called Chicago model—radical Milton Friedman-like economic liberalism—should be implemented, disadvantaging those industrial and agricultural producers who had been protected by high tariffs and other nontariff barriers to international competition.

In the different stages of the military regime, more or less radical versions of Chicago-style economic policy brought shifting civilian coalitions into the policymaking realm. After 1976, however, the major business, finance, and commercial conglomerates and peak associations had direct access to the government, even supplying many ministers and lower-ranking officials in the military government. Alternative policy agendas were sponsored by groups more or less favored by an "opening" to the international economy and by distinctive sectoral policies. In this sense, the military regime experienced significant internal pressures that resulted in shifting civilian-military coalitions, even when organized labor and the traditional parties were virtually excluded from influence. Of course, the terms of debate over policy were extremely narrow regarding civil liberties and rights and "democratization." Most of the employer associations and the rightist civilian political movements shared the overall authoritarian, anti-Marxist, and, to lesser extent, anti-civil libertarian bias of the military government. Organized labor was the major loser, being effectively excluded from most economic policy debates, which occurred between "radical" and "pragmatic" neoliberals. The latter gradually emerged as predominant by the late 1980s.³⁰

Despite internal policy debates among representatives of different industries and sectors of the economy, the military regime afforded extremely favorable conditions for capital accumulation and foreign investment in Chile. Linking Chilean conglomerates with multinational enterprise and increasing exports from a modernized, more specialized agricultural sector (fruit, wine), and from mining, forest industries, and fisheries transformed the Chilean labor market and diversified the sources of foreign exchange and the range of export partners. These trends weakened the influence of many of the older peak associations but, overall, reinforced the political prestige and participation of business more generally. Entrepreneurs held more prestige than at any other time in Chilean history, and their political importance was acknowledged even by opponents of the military regime with the transition to elected government in 1990. This was also true for the Church and the armed forces, leading Chileans to refer frequently to the "factive powers" (*poderes fácticos*) as an essential part of the political system.³¹

Thus from 1973 to 1990 the historical influence in politics of the armed forces, the Church, landowners, and mining and industrial interests, along with new producer and professional groups, was reaffirmed and enhanced by the military regime. Labor, in contrast, lost ground and

would not be able to regain its previous leverage in the political system both because of the legal reforms introduced by the military regime and because of the transformation of the economy. Many of the enterprises protected by the import-substitution and protectionist model that prevailed from the 1930s into the 1970s subsequently went out of business.³²

Beyond the “factive” influence of such groups in Chilean politics, the 1980 constitution formally provided a key role for the armed forces and the national police. As indicated earlier, this had been true to some extent, if unnoticed, most of the time before 1964. In the twentieth century the fusion of military and civilian authority common before 1925 had eroded. Nevertheless, in accord with the Military Code of Justice and legislation adopted during World War II, under certain circumstances ranking military officers within a region declared to be in a state of *asamblea* or *zona de emergencia* assumed full governmental authority, equivalent in most respects to martial law. In addition, in efforts to overcome political corruption and vote-buying, the Chilean congress in 1941 assigned to the armed forces responsibility for monitoring elections; the country was essentially turned over to the military and police to insure fair electoral outcomes. Put another way, Chilean politicians did not trust themselves to protect the most basic procedure of a democracy—elections.³³ A political deal struck by the parties in the congress literally made “protecting democracy” the function of the armed forces in 1941. From that time, Chileans took a military presence at the polls for granted. This was not an innovation of the post-1973 military government.

With transition from the military government to the elected government of Patricio Aylwin in 1990, this basic feature of Chilean “democracy” remained in place. On election days, by law, the armed forces assume control of the country to guarantee the proper administration of national and local elections. This continues to be a routine feature of Chilean politics—another way in which the authoritarian and corporative traditions blend into a distinctively Chilean version of authoritarian liberalism.

Chile since 1990

The Concertación coalition that took power in 1990 proposed constitutional and legal reforms to modify the 1980 constitution and “democratize” the political system, human rights policies that included overturning

the military's 1978 amnesty decree, and initiatives to assist victims of state terrorism under the military regime and their families. By 2004 the government had been relatively successful in achieving the third goal, but its achievements in reforming the constitution and overturning the institutions imposed by the military government were extremely limited. Of course, the political right, including Pinochet himself, continued to enjoy significant minority support (more than 40 percent of the electorate) from 1990 until 2000. As had been the case historically, the social foundations and political support for authoritarian and corporatist institutions in Chile remained significant.

An imaginary letter from Pinochet to a Chilean psychologist, written by Sergio Marras, well captures the strength of the authoritarian tradition in the country despite efforts at liberalization and democratization during almost two hundred years:

I am the continuation of the authoritarian vein bequeathed to us by Mapuches and Spaniards, of this inevitable insanity of being democrats on the surface [*de la boca para afuera*]. Where do you think I found my authoritarian vein if not from the atavistic lessons of this country? . . .

I have not been the Teacher, as you suggest. I am simply the Good Student. . . . Mine was not the first dictatorship in this country, nor will it be the last in which bodies are hidden. . . . Neither I nor my work have been extinguished. And they shall not be extinguished.

You all carry me [and my work] inside yourselves like Captain Riley and the alien embryo. . . . You [all] have been defeated and you remain defeated. You live with my legacy [*bajo mi herencia*]. But when I die things won't change much.³⁴

In accord with the 1980 constitution, Pinochet stepped down as army commander and became a senator for life in March 1998. Chile's transition to "democracy" was analogous to an obviously unthinkable and counterfactual transition in Spain, had a healthy General Franco stepped down as caudillo in 1974 but remained commander of the Spanish army. Meanwhile, the government had been unable to obtain approval for the major constitutional and institutional reforms proposed in the 1988–89 program.³⁵

On October 16, 1998, the country was shocked by Pinochet's arrest in London on a request for his extradition to Spain for human rights violations. Pinochet's detention and subsequent return to Chile for "humani-

tarian reasons” were followed by a court procedure that stripped him of his congressional immunity and by his indictment in Chile, both events hardly imaginable in 1990. Although the charges against the ex-dictator were eventually reduced from “intellectual author” of the crimes to obstruction of justice (*encubridor*), the end to Pinochet’s and other military and police personnel’s impunity gradually changed the tone of politics in the country. After 2000, Pinochet the person became less and less important as his health declined, and the political right as well as much of the armed forces sought to distance themselves from the human rights violations of the military regime. New generations of officers desired to resume their “professional” role. Nevertheless, they resisted efforts to dilute their constitutional and statutory status as political actors.³⁶

As the apocryphal Pinochet letter by Sergio Marras predicted, the legacy of authoritarian and corporatist institutions lived on, and would likely do so with some modification, after the real Pinochet’s death—despite President Ricardo Lagos’s repeated calls for a new constitution that would allow a consensual, more democratic basis for Chilean politics (“No sólo quiero cambiar la institución de los senadores designados. Quiero cambiar toda [la Constitución]. Seamos serios sobre la reforma”).³⁷ The Lagos government persisted in seeking a Great Political Pact (*Gran Pacto de Cierre de Transición*) to end the interminable “transition to democracy” in post-Pinochet Chile.³⁸

Living in Chile after 1990 was not the same as living in Chile under the dictatorship from 1973 to 1990. Massive repression, illegal detentions, torture, and disappearances virtually ended. The press operated more freely; political parties competed openly in local, congressional, and presidential elections; and the congress operated as an effective legislature. Debates were sometimes acrimonious, as they had been in the country’s past. Nevertheless, a legacy of fear chilled press freedom, self-censorship was common, and networks of “retired” intelligence agents and military personnel operated clandestinely throughout the country. Military and police intelligence units extraofficially monitored politicians and political party activity, provoking concern that limits on democratic participation and debate had been established in a “gentlemen’s agreement” before the transition to civilian government in 1990. The 1978 amnesty could not be derogated, as promised in the Concertación program of 1988–89; on the other hand, hundreds of military officers were being questioned by judges regarding the human rights violations of the past, a proceeding made pos-

sible by a reinterpretation of the amnesty decree to permit "investigation" before applying the amnesty to particular cases. Thus the transition from authoritarian rule to democracy was ambiguous, neither an outright failure nor a complete success. Chileans of all political persuasions spoke of an "interminable transition" to democracy. But perhaps Chileans overestimated the degree of democracy in the country before 1973, and the repression of the dictatorship made it possible, understandably, to idealize the restricted democracy that characterized the country from 1932 to 1973.

A decade and more after the "transition to democracy," the 1980 constitution remains in place and the historical struggle between Chile's version of liberalism and democracy and the country's socially conservative, authoritarian, and corporatist traditions and institutions persists. The recent past, and the not-so-recent, lives on in the present, challenging some Chileans to undertake new efforts to create a more democratic future and others to defend their own version of Hispanic capitalism against what they view as the corrosive influence of imported liberalism's attacks on traditional values, national interests, and patriotism (*chilenidad*). If the past is any indication of the future, neither side will prevail entirely, leaving the country's political system and practices an amalgam of authoritarian liberalism, "democracy with adjectives" (whether "restricted," "illiberal," "protected," or some other euphemism for not-quite democracy), and corporatism, full of internal contradictions but also thoroughly familiar to generations of Chileans.

Notes

1. Several important efforts to deal with alternative definitions of "democracy" and the notion of "democracy with adjectives" are: David Collier and Steven Levitsky, "Democracy with Adjectives: Conceptual Innovation in Comparative Research," *World Politics* 49, no. 3 (1997): 430-51; Michael Coppedge and Wolfgang H. Reinicke, "Measuring Polyarchy," *Studies in Comparative International Development* 25, no. 1 (1990): 51-72; Alex Inkeles, ed., *On Measuring Democracy: Its Consequences and Concomitants* (New Brunswick, N.J.: Transaction, 1991); Brian Loveman, "Protected Democracies and Military Guardianship: Political Transitions in Latin America, 1978-1994," *Journal of Interamerican Studies and World Affairs* 36, no. 2 (1994): 105-89; Scott Mainwaring, with Daniel Brinks and Aníbal Pérez Liñán, "Classifying Political Regimes in Latin America, 1945-1999," *Studies in Comparative International Development* 36, no. 1 (2001): 37-65.

2. I do not raise here the issue of social and economic democracy, though many theorists would argue that without more social and economic equality and expanding opportunities, especially for groups previously excluded or repressed, political democracy is a hollow formalism. While sympathetic to the need for enhancing social and economic opportunity, I continue to believe that only those who have *not* lived under truly authoritarian regimes can fail to appreciate the importance of political democracy on its own account.

3. "Rule of law" refers to citizens' ability to rely on the law when they act, on the premise of fair and predictable treatment as the law is applied. Of course, ineffective, weak, and corrupt states may make "rule of law" a much more difficult criterion to meet than open contestation and inclusive participation through elections.

4. See J. Samuel Valenzuela, *Democratización vía reforma: La expansión del sufragio en Chile* (Buenos Aires: IDES, 1986) and "La ley electoral de 1890 y la democratización del régimen político chileno" (working paper 247, Helen Kellogg Institute for International Studies, University of Notre Dame, 1998).

5. See Renato Cristi, *Carl Schmitt and Authoritarian Liberalism: Strong State, Free Economy* (Cardiff: University of Wales Press, 1998); Renato Cristi and Carlos Ruiz, *El pensamiento conservador in Chile: Seis ensayos* (Santiago, Chile: Universitaria, 1992).

6. Carl Schmitt, *Teoría de la constitución*, trans. Francisco Ayala (1934; Madrid: Alianza, 1982) and *La dictadura*, trans. José Díaz García (1968; Madrid: Alianza, 1985); Luis Sánchez Agesta, *Lecciones de derecho político*, 4th ed. (Granada: Prieto, 1951).

7. There are a variety of meanings and usages of the terms "authoritarianism" and "corporatism" in everyday speech and in political science theories and research. I am using the terms here in a relatively conventional but simple fashion. I do not mean to contribute to debates or definitions regarding the varieties of authoritarianism and corporatism. In this short essay on Chile, by *authoritarian* political institutions I mean a system that constitutionally, legally, and in practice restricts basic civil liberties and rights at the discretion of government officials, especially the executive branch, armed forces, and police; provides few, if any, effective judicial or administrative remedies for individual citizens vis-à-vis government; deliberately excludes and/or represses autonomous political participation by selected individuals and groups (by race, color, ideology, or other generic criteria); censors, interdicts, represses and/or closes potential opposition mass media (newspapers, magazines, radio, television, Internet, etc.); curtails or severely controls elections; and closes or impedes effective functioning of legislative institutions. Obviously, even with this simple definition, there are *degrees* of authoritarianism (the flip side of the continuum from "full democracy" to "protected democracy") on all these dimensions, and the degree may change over time for the same country, on any of these dimensions, in the direction of both less and more authoritarian institutions and practices. For example, electoral participation may expand while civil liberties and rights are restricted.

By *corporatism* I mean a political system that relies extensively on functional and corporative representation in policymaking and relies to a significant degree on concessionary legitimacy (formal approval by the government) for groups to participate in politics—often interpreted in Latin America as grants of legal personhood (*personalidad jurídica*). This includes the formal "privatization" of government agencies both through interest-group participation (formal representation of religious, business, labor, professional, and other organizations in government policymaking agencies) and by statist initiatives that penetrate "private" associations with government controls and requirements of government recognition to legitimize "private" groups (concession of *personalidad jurídica*) such as labor, business, religious, student, professional (dentists, doctors, lawyers, journalists, etc.), or other associations and organizations. This usage combines, without the complexity, the definitions used by Guillermo O'Donnell ("Corporatism and the Question of the State") and Douglas Chalmers ("The Politicized State") in the earlier (1977) James M. Malloy's book on authoritarianism and corporatism—without doing justice to either of them.

8. Unless otherwise indicated, all translations from Spanish are by the author.

9. For a history of constitutional regimes of exception in Spanish America, see Brian Loveman, *The Constitution of Tyranny: Regimes of Exception in Spanish America* (Pittsburgh: University of Pittsburgh Press, 1993).

10. *Código penal de la República de Chile*, ed. Pedro Javier Fernández, 2nd ed., 2 vols. (Santiago: Barcelona, 1899).

11. Taking advantage of the military mobilization that won the war in the north, the government sent troops south for the definitive "conquest" of the Indian peoples who had resisted the Spanish and then the Chilean national government.

12. See Julio Heise González, *Historia de Chile: El período parlamentario, 1861–1925* (Santiago: Andrés Bello, 1974).

13. Chile's three main constitutions (1833, 1925, 1980) were preceded by political violence and were imposed to a great extent by virtue of military power. The country has never had a constitutional convention, even of the sort typical of other Latin American countries in the nineteenth century. Plebiscites to approve the 1925 and 1980 constitutions were supervised and orchestrated largely by the armed forces, more forcefully in 1980 than in 1925.

14. In Chile the minister of the interior replaces the president in his absence; there is no vice president.

15. An overview is found in Germán Urzúa Valenzuela and Ana María García Barzellato, *Diagnóstico de la burocracia chilena, 1818–1969*. A limited study of business association representation on major economic policy boards in the 1958–64 period is Constantine Menges, "Public Policy and Organized Business in Chile: A Preliminary Analysis," *Journal of International Affairs* 20, no. 2 (1966). For the period 1970–90, see also Guillermo Campero, *Los gremios empresariales en el período 1970–1983: Comportamiento sociopolítico y orientaciones ideológicas* (Santiago: Instituto Latinoamericano de Estudios Transnacionales, 1984); Eduardo

Silva, *The State and Capital in Chile: Business Elites, Technocrats, and Market Economics* (Boulder: Westview Press, 1996).

16. A discussion of the varieties of corporatist political movements, parties, and practices in Chile from 1932 to the mid-1970s is found in Paul Drake, "Corporatism and Functionalism in Modern Chilean Politics," *Journal of Latin American Studies* 10, no. 1 (1978): 83-116. Drake concluded: "While corporatist antecedents and traditions as a subtheme in Chilean political history need to be analyzed, they should not be exaggerated" (116).

17. Thomas C. Wright, *Landowners and Reform in Chile: The Sociedad Nacional de Agricultura, 1919-1940* (Urbana: University of Illinois Press, 1982), 93.

18. To illustrate, the law provided for the Corporación de Reconstrucción y Auxilio in Art. 2E: "The Corporation will be administered and directed by a council composed of the following members: (a) the minister of finance, who will preside; (b) the minister of development; (c) the minister of agriculture; (d) two persons designed by the Senate; (e) two designees of the Chamber of Deputies; (f) one designee of the directorate of the Central Bank; (g) one designee of the council of the Caja de Crédito Hipotecario; (h) one designee of the council of the Caja Nacional de Ahorros; (i) one designee of the council of the Caja de la Habitación Popular; (j) one designee of the council of the Caja Autónoma de Amortización de la Deuda Pública; (k) one designee of the council of the Caja de Crédito Agrario; (l) one designee of the council of the Instituto de Crédito Industrial; (m) the director general of public works; (n) one designee of the council of la Sociedad de Agricultura; (ñ) one designee of the council of the Sociedad de Fomento Fabril; (o) one designee of the Instituto de Ingenieros de Chile; (p) one designee of the Asociación de Arquitectos de Chile; (q) one designee of the Instituto de Urbanismo; (r) one designee of each of the provincial councils of the entities referred to in Art. 16; (s) one designee of the Instituto de Ingenieros y Arquitectos of Concepción. The council members referred in letters f-r should be members of the councils or institutions that they represent."

In the case of the Corporación de Fomento de la Producción, "the Corporation will be administered and directed by a council composed of the following members: (1) the minister of finance, who will preside; (2) the minister of development; (3) the minister of agriculture; (4) two members and two substitute members designated by the Senate; (5) two members and two substitute members designated by the Chamber of Deputies; (6) the central bank; (7) the president of the Caja Autónoma de Amortización; (8) the president of the International Exchange Commission; (9) the president of the Import Licensing Commission; (10) the president of the Caja de Crédito Hipotecario; (11) the president of the Caja de Crédito Agrario; (12) the president of the Caja de Crédito Minero; (13) the president of the Instituto de Crédito Industrial; (14) the president of the Caja de Colonización Agrícola; (15) the president of the Caja de la Habitación Popular; (16) the president of the Sociedad Nacional de Agricultura; (17) the president of the Sociedad Nacional de Minería; (18) the president of the Sociedad de Fomento Fabril; (19)

the president of the Instituto de Ingenieros de Chile; (20) the president of the Cámara de Comercio de Chile; and (21) the secretary-general of the Confederación de Trabajadores de Chile."

19. Military representation in many areas of government activity also was a little-studied part of this system. Illustrative was the armed forces' central role in the national sports commission (Comisión Nacional Asesora de Deportes, Educación Física y Recreación), created in 1970. Along with a representative of each branch of the armed forces and the national police, the commission included a representative of the National Labor Confederation (CUT) and representatives from an impressive array of associations—teachers, sports medicine practitioners, sports psychologists, sports journalists, amateur and professional soccer clubs, etc.

20. For details on the landlords' control over rural votes and the electoral reform of 1958, see Brian Loveman, *Struggle in the Countryside: Politics and Rural Labor in Chile, 1919-1973* (Bloomington: Indiana University Press, 1976).

21. See Ricardo Yoclevsky, *La democracia cristiana chilena y el gobierno de Eduardo Frei (1964-1970)* (Mexico: Universidad Autónoma Metropolitana, 1987); Michael Fleet, *The Rise and Fall of Chilean Christian Democracy* (Princeton: Princeton University Press, 1985).

22. An extensive bibliography with competing histories and interpretations of the Allende government and the military coup is included in Brian Loveman, *Chile: The Legacy of Hispanic Capitalism*, 3rd ed. (New York: Oxford University Press, 2001), 402-4.

23. In collaboration with Elizabeth Lira, the author has investigated these decrees and decree laws of the military junta after 1973. The most important of these edicts appear in *Arquitectura política y seguridad interior del estado: Chile 1811-1990* (Santiago: DIBAM/LOM, 2002).

24. For a more detailed account of the military junta and the 1980 constitution, see Loveman, *Chile*, 270-91.

25. Acta Junta no. 1 (Secreto), September 13, 1973.

26. This concept also comes from Schmitt, *Teoría de la constitución*, and was adapted by Sánchez Agesta and others to justify the constitutional revolution of General Francisco Franco in Spain in 1936.

27. Quoted in Renato Cristi, *El pensamiento político de Jaime Guzmán: Autoridad y libertad* (Santiago: LOM, 2000), 115.

28. *Anteproyecto constitucional y sus antecedentes* (Santiago: Editorial Jurídica, 1978); *Actas oficiales de la Comisión Constituyente*, 12 vols. (Santiago: Imprenta de Gendarmería, 1983).

29. Sesión del Consejo de Estado, no. 109, June 10, 1980, cited in Rafael Valdivieso Ariztía, *Crónica de un rescate: Chile, 1973-1988* (Santiago: Andrés Bello, 1988), 215-16.

30. See Silva, *State and Capital*, chaps. 6-7, for detailed information on business conglomerates, peak associations, and key government economic institutions

from 1973 into the 1980s.

31. "Factive" powers, in its Spanish rendition, refers to "real" as opposed to "imaginary or theoretical" powers. Of course, in the case of the armed forces and the 1980 constitution, they were both "factive" powers and constitutional authorities.

32. See Patrick Barrett, "Labour Policy, Labour-Business Relations and the Transition to Democracy in Chile," *Journal of Latin American Studies* 33, no. 3 (2001): 561–97.

33. Ley General de Elecciones (Ley 6.834), amended in 1949 (Ley 9.334), 1958 (Ley 12.891), 1962 (Ley 14.852).

34. Sergio Marras, *Carta apócrifa de Pinochet a un siquiatra chileno* (Santiago: Demens Sapiens, 1998).

35. The government did take a number of important initiatives in the areas of human rights, pardons for political prisoners, environmental regulation, poverty alleviation, women's rights, health, Indian rights law, and housing subsidies. See Loveman, *Chile*, 316–18.

36. "Reformas constitucionales: Prioridad a la eliminación de senadores vitalicios," *Primera Línea* (Internet version), March 18, 2002.

37. Deepak Gopinath, "Can a Socialist Save Chile's Market?" *Institutional Investor*, March 2001, 72.

38. "Gobierno con nueva postura para reformas," *El Mercurio* (Internet edition), March 19, 2002.

5

Venezuela's Punto Fijo Party System

A Failed Corporatist Mediator

David J. Myers

Introduction

Representative democracy took root in Venezuela between 1958 and 1973. It seemed to mark a new beginning. In the century and a quarter following independence, Venezuela had experienced less than one year of popularly elected government, the idealistic but rigid administration of Rómulo Gallegos. On November 24, 1948, the armed forces overthrew Gallegos. Encouragement came from a coalition of traditional groups that viewed popular democracy as threatening to their power and influence. Military rule began auspiciously, but the populist New National Ideal program of the new president, General Marcos Pérez Jiménez, frightened and alienated traditionalists as well as the left. Military control over Venezuela ended on January 23, 1958, in a popular uprising fueled by outrage over human rights violations, corruption, and economic ineptitude. The experience with failed democracy and populist dictatorship led Venezuela's quarreling elites to seek an accommodation.

Two groupings comprised Venezuela's elite in the late 1950s: one that had long controlled the class, status, and power hierarchies, the other an assortment of challengers whose influence had crystallized after the death of General Juan Vicente Gómez in December 1935. The former included entrepreneurs, merchants, large landowners, military officers, and the ecclesiastical hierarchy. The latter was composed of recent university graduates, educators, students, and small businessmen from the interior. Party leaders whose influence rested on their ability to organize workers

and peasants directed the challenging elite. In other words, the debut of the masses as political actors in modern Venezuela was as clients of the challenging elites.

The challenging elites came to power for the first time when the military uprising of October 18, 1945, toppled the government of General Isaías Medina Angarita (1940–45). The success of this rebellion rested on an alliance between Acción Democrática (AD, Democratic Action party) and youthful military officers. A provisional government dominated by AD ruled Venezuela until December 1947 when the party's candidate for president, Rómulo Gallegos, won the country's first presidential elections based on universal suffrage. Second place went to Rafael Caldera, the candidate of a group of independents who rapidly coalesced into the Partido Socialcristiano (Christian Democratic Party), also called COPEI.¹ AD's victory was in large part due to having used its two years in government to consolidate control over organized labor and the peasantry. The votes of these groups, along with support from professionals, enabled Rómulo Gallegos to capture 70 percent of the total presidential vote. In the concurrent legislative elections, AD candidates won most of the contests for the national congress and state legislatures. AD's overwhelming victory and the partisanship that its leaders displayed in government alarmed the traditional elite—and also frustrated other factions of the challenging elite that were organizing their own political parties. Consequently, only AD defended President Gallegos when the armed forces seized power (Alexander, chap. 14).

Chaos reigned in 1958 following the flight of General Pérez Jiménez into exile. He left the economy in shambles. Civil unrest was pervasive, and before the year drew to a close Fidel Castro's Cuban Revolution sounded a siren's call to Venezuelan youth. These events raised levels of insecurity within the elite, leading most factions to enter into an agreement known as the Pact of Punto Fijo.² This pact laid out the guiding principles under which traditional and challenging elites would cooperate to shape political decisions in the democratic political regime that they hoped to establish. A primary motivating factor underpinning this elite agreement was concern that Venezuela stood on the brink of anarchy. Endemic instability and the threat of class warfare convinced most elites that the risks of unilaterally pursuing their interests posed greater dangers than the risks of attempting to establish rules of civic engagement with groups that they disliked and distrusted. At the heart of their accommoda-

tion lay the political party system. The Punto Fijo political party system has been described as the mechanism that most accounts for the distinctive characteristics of Venezuelan democracy between 1958 and the late 1990s (Coppedge 2001).

The Punto Fijo party system was organized along lines that were corporatist rather than pluralistic. Its founders viewed society as divided into different bodies (*corpus*) or corporations that behaved in accord with their own unique functions or norms. They accepted that in many respects the identification of individuals with their particular corpus was stronger than with the nation as a whole (Vanden and Prevost, 123). When post-1958 Venezuelan democracy was taking shape, this tendency was strongest in the military, the Catholic Church, and the business community. These traditional interests had dominated politics until the middle third of the twentieth century. At that time, new organizations of workers, peasants, and middle-sector professionals began to demand a greater role. Their spokesmen were the new mass-based political parties whose leaders tended to identify as much with their party as with the nation.

Three decades of conflict between political party leaders and the traditional elites had convinced both that civic engagement was preferable to conflict. As suggested above, this sentiment led to the Pact of Punto Fijo. Traditional elites assumed that the mass-based parties that entered into this pact would control the demands of their lower-class clients. This assumption encouraged them to take a chance that the policy output of post-1958 democracy would not threaten their wealth, status, and power. Of course, they were gambling that only political parties that supported the Punto Fijo agreements would gain and retain enough popularity to capture the presidency and govern.

Throughout the Punto Fijo era (1958–2000), AD and COPEI presented themselves as institutions open to all classes and groups (*poli-clasista*). This posture reflected concern that unfettered class struggle would make it impossible to institutionalize democratic processes, including political succession. By structuring their organizations to manage the interest aggregation of the most important groups, AD and COPEI sought to exclude the possibility that any rival could organize a class-based clientele for political combat. In other words, Punto Fijo party politics were intended to revolve about competition for power between two sets of leaders who controlled parallel configurations of multiclass interests

(Baloyra and Martz, chap. 3). The viability of this structure was strengthened by their agreement to use income from the sale of petroleum to fund state-centered development, subsidize mass consumption, and preserve the privileged position of both elite factions.

During the 1960s most Venezuelans came to accept competition between AD and COPEI as the normal way of allocating political offices and state wealth. The two parties received almost 85 percent of the total votes in the 1973 presidential election, and not until twenty years later did a candidate other than AD's or COPEI's capture the presidency. Viewed from the perspective of Giovanni Sartori's classification of political party systems, the Venezuelan party system between 1973 and 1993 was an attenuated two-party system (Molina and Pérez, 11–18). Collapse came rapidly and completely between 1993 and 2000.

This work treats the Punto Fijo party system as a corporatist institution—corporatist at its inception, during its institutionalization, when its domination was most extensive, and throughout the downward spiral leading to its demise. Our concern here is with why an entrenched system of political parties lost its capacity to structure relations between civil society and the state, and to recruit new and effective leaders. To unravel this conundrum we first identify the operational characteristics of that system when it was most successful (1973–93). Not only do we want to know how it functioned, we are interested in what its operational characteristics reveal about the strengths and weaknesses of the overall configuration. Second, we inquire into how and why the party system decayed and collapsed. Here attention focuses on three kinds of changes: changes in how the political parties dealt with interest groups, changes in how the party infrastructure functioned, and changes in relations between the two dominant political parties. We also probe how party system decay began, gained momentum, and became irreversible. In this context special attention is given to why it was Hugo Chávez who managed to destroy an institution that had been at the heart of Venezuelan politics for more than four decades. We conclude with a brief assessment of whether the reduced importance of the party system and political parties in the Fifth Republic signals that corporatism has lost its status as a central organizing force in Venezuela, or whether corporatist principles and forms of organization are finding expression in new and different political institutions.

Operational Characteristics of the Institutionalized Punto Fijo Party System

Punto Fijo elites wanted a party system capable of channeling and aggregating political demands while retaining the support of most Venezuelans. This was a daunting task, given that the country's important political groups had a long history of denying each other's legitimacy as political actors. Beginning in the late 1920s, new groups challenged the established political order. Traditional elites, however, refused to admit these challengers to the circle of legitimate political actors. The resulting impasse fueled violence and political instability. The failure to retain support that marked two initially popular political regimes—redistributive democracy in the 1940s and military populism in the 1950s—proved traumatizing for both the traditional and challenging elites. The fate of these political regimes convinced most elites that sectarian governments were neither viable nor desirable. They agreed to experiment with democracy, but only if party leaders promised not to use populist measures to threaten their status as major political actors.

Venezuela's system of political parties displayed six operational characteristics between 1973 and 1993. These characteristics set a corporatist tone and gave the system great resiliency. But they also embedded unanticipated weaknesses that surfaced when economic and political conditions changed. First (and perhaps the most examined characteristic of the Punto Fijo party system), its managing institutions, AD and COPEI, and the traditional elite cooperated to share power and to exclude contentious issues from the political arena. Second, the AD and COPEI party organizations were hierarchical. In conjunction with the 1961 constitution's prohibition on immediately reelecting the president, this hierarchical structuring gave top party leaders strong influence over the national executive. Third, the interaction of strong party organizations and the practice of concurrent elections for president and legislative offices (with proportional representation) allowed top party leaders to have decisive influence over national, regional, and local legislatures. Fourth, owing to the peculiarly timed development of Venezuela's political institutions after 1935, the political parties coalesced prior to the formation of most nontraditional interest groups, and were thus in a position to organize these groups and subsequently to deal with them as clients. Fifth, post-1958 policymaking granted preferential access to traditional

groups that accepted the Pact of Punto Fijo. Finally, AD and COPEI were notably successful in co-opting, marginalizing, and eliminating the interest groups and political parties that posed a challenge to their domination.

Power Sharing and the Exclusion of Contentious Issues

When Venezuela's democratic political parties (AD, COPEI, and URD) and traditional elites (businessmen, the Church, and the military) negotiated power-sharing arrangements after the overthrow of General Pérez Jiménez, they laid the foundation for a stable political regime that lasted for more than forty years. However, the Partido Comunista de Venezuela (PCV, Venezuelan Communist Party) was excluded from the Punto Fijo coalition. The coalition's leaders doubted that PCV would share power or operate democratically, and they feared hostility from the United States government should they include communists. COPEI and URD (Democratic Republican Union) made the Pact of Punto Fijo a reality when they became junior partners in the government of AD's Rómulo Betancourt (1959–64). Still, URD was uncomfortable with excluding PCV, and in 1961, when Venezuela voted to expel Cuba from the Organization of American States, URD broke with the government. The party again entered into the governing coalition with AD at the beginning of Raúl Leoni's presidency (1964–69), but this participation also was short-lived. URD passed to the opposition in protest over President Leoni's 1966 tax reform legislation, and without the spoils of government to entice supporters, the party withered away (Myers 1998, 503–6).

Populist and personalistic movements challenged the march of AD and COPEI to party system dominance. In 1963 Arturo Uslar Pietri, an intellectual who had served as minister of education in the government of General Medina (1940–45), captured more than 16 percent of the total presidential vote. However, Uslar's middle-class supporters fell away in 1968, and in the 1973 presidential election his Frente Nacional Democrático (FND, National Democratic Front) attracted less than one percent of voters. A more serious challenge surfaced in 1967 when Luis Beltrán Prieto, a populist who was denied AD's presidential nomination by the party's "old guard," formed his own Movimiento Electoral del Pueblo (MEP, People's Electoral Movement). Prieto received more than 17 percent of the total presidential vote in 1968 in a four-way contest in which the winning candidate, Rafael Caldera of COPEI, garnered only 28.7 percent of the total ballots cast. Like the movement established by Uslar, the

MEP of Prieto lacked staying power. After their initial success both declined quickly and never recovered. Other political movements founded by the defeated guerrillas fared even worse. Thus, following the national election of 1973, AD and COPEI dominated the political system. The only significant challenge to their domination over the next twenty years, and a minor one at that, came from a moderate faction of the PCV. Under the leadership of Teodoro Petkoff and Pompeyo Márquez these moderate communists formed their own political party, the *Movimiento al Socialismo* (MAS, Movement toward Socialism) (Molina and Pérez, 7–13). To summarize, achievement of domination by AD and COPEI, along with MAS's procurement of a secondary niche, argues for placement of the Punto Fijo party configuration in Giovanni Sartori's category of an attenuated two-party system (Sartori, 185–91).

Power sharing arrangements between the two dominant political parties were explicit and extensive. They treated each other as coequal directing forces. AD needed COPEI because COPEI allowed for the expression of anti-AD sentiment in a venue that did not threaten the Punto Fijo consensus. When one party controlled the presidency—AD, most of the time—its leaders allocated resources sufficient so that the consensus supportive party out of power could service its core clientele. Indeed, as part of the march toward institutionalization during the 1960s, AD governments gave COPEI control over several national ministries and looked the other way when COPEI used those positions to build up its infrastructure (Herman, chaps. 3–4). This confirms that top party leaders influenced the president's cabinet selections and the oversight exercised by the congress. In addition, AD and COPEI came to interpret the elite agreements of 1957–61 as requiring that they share state income with each other regardless of which one controlled the national executive.

AD and COPEI also divided up leadership positions in the interest groups that they dominated: organized labor, teachers' unions, peasant leagues, and professional associations. In some organized factions of these groups, third or fourth political parties (as with URD in the petroleum unions) played an important role during the first three Punto Fijo governments. After 1973 MAS was the only significant third force. MAS generally received one position, out of five or seven, on the board of directors of each interest group that the two dominant parties controlled. In general, however, MAS was content with crumbs that fell from the table set for AD and COPEI.

AD was more equal than COPEI. Without the acquiescence of the former, the latter would have been hard pressed to achieve coequal status in the party system. The two institutions were similar in many ways. COPEI espoused a Christian Democratic ideology that advocated social justice, and AD subscribed to social democracy, an ideological orientation that emphasized equality and democracy. Both maintained hierarchical organizations. Top leaders channeled information to and from the party base in accord with the principles of democratic centralism. In other words, AD and COPEI demanded that their "linked" organizations of nontraditional groups express political demands through the internal party channels. To repeat, AD and COPEI boasted linked party organizations among unionized workers, peasants, professionals, and educators. These organizations operated as clients of AD and COPEI. Once party leaders reach a consensus, members belonging to their linked organizations were expected to abide by it. Failure to accept party discipline normally led to expulsion from the party (Coppedge 1994, chap. 2).

Venezuela's corporatist party system functioned differently in its dealings with traditional elites. Business associations, the Church, and the military never accepted clientelistic subordination to AD and COPEI, though they did agree that these parties had a special role in the political system—aggregators of their demands (Gil 1978, chap. 6; Burggraaff and Millett, 55–58). Nevertheless, when it came to extracting and distributing resources and to crafting regulations, traditional interest groups insisted on the right to veto decisions that threatened their status as major players in the political system. Thus AD—historically a socialist, anticlerical party—committed democratic Venezuela to a mixed capitalist-socialist economy, albeit one coordinated by the state. AD also agreed to assist in preserving the influence of the Roman Catholic Church (Levine, chaps. 4–5). Finally, the two dominant political parties promised the armed forces professional training, modern weaponry, and a quality standard of living.

AD and COPEI confirmed the legitimacy of traditional groups as political actors in the content of their public policies. After 1958 Rómulo Betancourt's government increased subsidies to the Catholic Church and forced the militantly anticlerical Venezuelan Federation of Teachers to concede a role to Catholic educators in their professional association. In 1965, AD confirmed its earlier commitment to protect business interests by crafting a settlement of the long-standing dispute over the prices charged by the Caracas Electric Company to the municipality of Caracas

for public lighting. This settlement blocked efforts by militant leftists to nationalize the company and reset the boundary between the public and private sectors (Myers 1977, 295–97). At the same time, President Leoni abandoned efforts to implement tax reform that would have increased the state's power to extract resources from the middle and upper classes. Taken together, these decisions reveal how Punto Fijo corporatism operated. Its managers, AD and COPEI, favored central planning, used the national bureaucracy to implement authoritative decisions, and took care that policy outcomes protected the system's founding members.

The sharing of power and the removal of contentious issues from the political agenda embedded several weaknesses into the party system. This was not apparent during the halcyon days of the petroleum bonanza, but when conditions changed in the 1990s, these embedded weaknesses contributed to party system collapse. That collapse, in turn, destabilized representative democracy and facilitated the transition to Hugo Chávez's Fifth Republic. The first embedded weakness, ironically, contributed to consolidating Punto Fijo democracy during the 1960s. It was the commitment by AD and COPEI to collaborate with each other in defense of their limitedly pluralistic democracy. Collaboration enabled the two centrist parties to fend off challenges from the radical left and the authoritarian right. But after three decades of looking out for each other, AD and COPEI began to seem two sides of the same coin. When dissatisfaction mounted, many voters decided that the choice between AD and COPEI was not meaningful. Second, party leaders emphasized the state's capability to distribute material goods as the touchstone for improving the quality of life. In addition, AD and COPEI failed to strengthen the state's regulative and extractive capabilities, and they crafted few new symbols that might unite citizens in support of democracy. Put simply, while paying lip service to economic diversification and democratic responsiveness, Punto Fijo elites increased the political regime's dependency on its capability to distribute petroleum income.

Finally, the original Punto Fijo power-sharing arrangements ignored the middle sectors and the urban poor. Initially this oversight had little impact on efforts to legitimate democracy. Middle-class voters were few. More often than not they participated in politics as an appendage of the traditional elite. During the 1960s their numbers increased, and to channel their political demands the two dominant political parties established linked institutions, the Secretariats of Professionals and Technicians

(Martz and Myers, 17–21). AD and COPEI structured these secretariats in the same way as their Labor and Education Secretariats. Professionals and technicians, however, had different political expectations and lifestyles. The linked Secretariats of Professionals and Technicians managed to incorporate only a small proportion of the middle sectors. Even more serious in the long term, AD and COPEI never developed a tied sectoral organization that represented the urban poor. Slum dwellers remained outsiders, and party leaders purchased their votes with subsidies and make-work jobs. The capability of AD and COPEI to use the bureaucracy to subsidize the urban poor, like their ability to service tied groups, depended on the state's capacity to extract resources from the international petroleum market and distribute them to party leaders.

Party Domination of the National Executive

AD and COPEI, as we have seen, were corporatist and centralized institutions. Their leaders agreed that defending post-1958 democracy against its many enemies required the creation of a strong presidency. On the other hand, party leaders feared that an incumbent president would manipulate the electoral system to ensure his reelection, thus increasing the influence of the government at the expense of the parties. Experience with sitting presidents seeking reelection gave cause for concern over the incumbent president's willingness to allow free and fair elections. General Juan Vicente Gómez had manipulated the electoral system on numerous occasions to remain in power for twenty-seven years (1908–35). General Marcos Pérez Jiménez falsified election returns in 1952 and resorted to a plebiscite in 1957 during his unsuccessful quest for an additional term in office. Not surprisingly, the party leaders who drafted the 1961 constitution opted for a five-year presidential term, with eligibility for a second presidency only after the passage of two intervening terms.

The relationship between political party and president that evolved during Punto Fijo democracy has been described as one of "strong parties and lame duck presidents" (Coppedge 1994). The chief executive had five years in which to use his immense powers to dispense patronage. He was subject to party discipline prior to assuming office and after his term expired. Party organizations, in contrast, were permanent fixtures on the political landscape. Soon after a president took office, maneuvering began inside AD and COPEI to select their candidates for the next five-year presidential term. In this competition, deals were struck and promises

made. Prospective presidential nominees also courted factions of the private sector and opened lines of communication with the military and the Church.

While others were jockeying for position in each party's presidential nomination sweepstakes, the incumbent president devoted himself to assisting those who had facilitated his rise to power. It usually took between six and eight months before the patronage mechanisms of the new administration were operating smoothly, and these mechanisms tended to remain in place until the end of the presidential term. Groups looking for political influence and not a part of the president's entourage focused mainly on the next contest for each party's presidential nomination. The deeper the president got into his term of office, the more influence passed to party leaders who were selecting the next presidential nominee. An important indication of the greater power of the party in relation to the president, especially in the second half of the presidential term, is that only once between 1963 and 1993 was a president (Rafael Caldera in 1973) able to secure his party's presidential nomination for the candidate of his choice.

From the time that a president took office until he handed power to his elected successor, he was heavily dependent on support from his political party or supportive coalition of parties. The passing of legislation, even when the president's party controlled the congress, depended on a positive assessment by the political party's national leadership. The chief of the governing party's parliamentary faction normally conferred with the party secretary-general and other members of the party's national executive committee before taking up legislation sent by the president to the congress. When the president's party lacked congressional majorities, negotiations among party leaders determined the composition of the coalition that controlled the congress or how a temporary majority to pass legislation would be formed. The most important exception to this pattern occurred several months into the first presidency of Carlos Andrés Pérez (1974-79). At that time Venezuela experienced a quadrupling of its revenue from petroleum, and there was a mad scramble on the part of the ruling class to distribute the unanticipated wealth. On May 31, 1974, the AD-dominated congress gave President Pérez authority for one year to dictate broad financial reforms that included: changes to the national finance system and capital markets, modification of the Organic Law of the National Public Finance, creation of the Venezuelan Investment Fund,

stimulation of the transformation of production, nationalization of the iron ore industry, paying off the debt of the Venezuelan Social Security Institute, upholding the seniority and pension rights of workers, and determination of minimum salaries, salary scales in the public sector, and wage hikes. One important prerogative that the party (acting through the congress) denied to the president was the right to decree tax reforms (Crisp, 78).

Pérez dictated fifty-three decree laws, most without consulting party leaders. He wanted freedom to restructure the economy without having to bargain with the party. Pérez also intended to assemble a personal entourage whose loyalty to AD would be secondary. His behavior opened a bitter rift with party founder Rómulo Betancourt, and it paved the way for Luis Herrera Campins, the COPEI presidential candidate, to capture the presidency in 1978. AD, however, regained the presidency in 1983. During the administration of Jaime Lusinchi (1984–89), party and government were more closely coordinated than at any other time during the Punto Fijo era. Nevertheless, Carlos Andrés Pérez won the AD presidential primary election in 1987, and in 1988 he became the first Punto Fijo-era politician to win a second presidential term. Soon after his inauguration Pérez initiated the Great Turnabout, in which he substituted neoliberal policies for the state-centered development practiced by Punto Fijo governments since 1958. Pérez's personal clients benefited from this change, but often at the expense of groups tied with AD (Naím, esp. chaps. 4–5).

Popular opinion turned against President Pérez when the safety nets needed to soften the impact of neoliberalism on public sector employees, party clients, and the poor were slow to take effect. Twice in 1992 disgruntled military officers staged unsuccessful coups against the government. In June of 1993, AD joined with COPEI and MAS to impeach Pérez, whose approval ratings had fallen into single digits. The specific grounds for impeachment were alleged misuse of the Secret Budget, a discretionary fund that the president customarily spent on confidential matters (Rey, 124–35). Pérez had clearly committed the technical violation with which he was charged; however, in normal times this error in handling the Secret Budget would not have ended his presidency.

To summarize, during the Punto Fijo regime party leaders constrained presidents. Even in the years when the revenue bonanza from petroleum increased the president's influence (1973–88), no president maintained control of his party's infrastructure. Citizens, however, held political parties responsible for the policies and behavior of their governments, even

when breaches opened between the two centers of power. A discredited presidency undermined support for the government party.

Party Domination of Legislatures

AD and COPEI controlled their legislative delegations to an even greater extent than they dominated their presidents. Concurrent elections for president and all legislative seats (with proportional representation) gave national party leaders decisive influence over who served in the national congress, state legislatures, and municipal councils. Committees located in Caracas and controlled by national leaders customarily approved the lists for legislative office submitted by regional (state) party organizations. In the national capital the lists were modified, often by placing important national leaders in positions that assured their election. Many of the individuals imposed from Caracas belonged to the parties' founding generation or had come to prominence in the underground resistance against General Pérez Jiménez. It was not uncommon for a regional leader of the post-1958 generation to wait a decade or more before securing a place on his or her party's list for the national congress.

The centralized system of selecting candidates for legislative office also enabled AD and COPEI to place loyalists suggested by their tied organizations in the national congress, state legislatures, and municipal councils. Sometimes party leaders gave preferential positions on their legislative lists to supporters holding key positions in the private sector. In addition, centralized control over the party's lists for legislative candidates enabled Caracas-based leaders to contain centrifugal forces and ensure that policies decided upon in the national capital would be implemented throughout the country. However, this system was designed to accommodate the interests of groups whose support was considered strategically necessary when the political regime was being designed. This 1960s perspective also led those controlling AD and COPEI to assume that leaders in the interior would defer to the judgment of more sophisticated and better trained leaders in Caracas. This view reflected political reality until the 1980s, when advancing modernization diversified the social structure and created vigorous poles of economic activity in the interior.

Domination of Nontraditional Interest Groups

The dominant political parties treated nontraditional interest groups as clients. AD and COPEI emerged as vehicles for challenging the traditional elites' domination, but the balance of power was slow to change. When

the twenty-seven-year rule of General Juan Vicente Gómez ended in 1935, his inner circle monopolized power, controlled wealth, and enjoyed high status. At the center of the post-Gómez political regime stood the armed forces. The founders of AD and COPEI—and of PCV and URD as well—looked to the masses as a source of popular support to challenge the military-backed status quo. The masses that would populate the labor unions, peasant leagues, and teachers' unions were largely undifferentiated; thus they seemed likely candidates for proselytizing by the political parties. The parties poured resources into organizing such groups, and they tied them into their institutional infrastructure.

Success in organizing the masses and integrating them into the party infrastructure gave AD and COPEI control over the votes required to win elections. The balance between party leaders and their sectoral organizations, structured from the beginning to favor the former, tipped even more in that direction after 1973. In other words, the petroleum bonanza made additional resources available to reinforce clientelistic relationships. The parties also used petroleum income to gain control over previously autonomous professional associations such as the Association of Lawyers, Association of Doctors, and Association of Engineers and Urbanists. Finally, these additional resources also provided subsidies to the urban poor and discouraged slum dwellers from organizing autonomous groups to make political demands. The urban poor, however, never displayed much enthusiasm for AD or COPEI (Romero, 365–80).

Preferential Access for Traditional Elites

Party leaders gave traditional elites preferential access during policymaking that affected their interests. The traditional groups with which party leaders negotiated the Punto Fijo agreements, as indicated earlier, viewed AD, URD, and COPEI with suspicion and distrust. As the keystone of their attempts to manage and soften this distrust, party leaders promised to incorporate each faction of the traditional elite in the decision process when its interests were in play, and to veto any decision that threatened its status as a member of the elite. Implementation of this policy included appointing representatives of the private sector—industrialists, merchants, and landowners—to the board of directors of the National Planning Agency (CORDIPLAN). It also gave the National Business Association (FEDECAMARAS) and its component associations a strong voice when AD and COPEI governments selected the minister of the treasury

and the president of the Central Bank (see Friedmann). In addition, by the end of the 1960s AD and URD had isolated or expelled most of the radical Marxists in their ranks. The pro-Moscow PCV had never formed part of the Punto Fijo system, though after 1973 the dissident PCV members who formed the new MAS party received some crumbs from AD and COPEI.

The military and the Church also broke bread with governments led by the two dominant political parties, and neither institution became a party client. Punto Fijo's founding fathers supplemented the military's traditional tasks with responsibility for defending democracy, and when leftist insurgents attempted to overthrow elected governments by force in the 1960s, a bond developed between party leaders and the military high command. The officer corps received advanced weapons and training and prestigious postings in the United States and Europe. Throughout the 1970s and 1980s the Venezuelan armed forces could be counted upon to back democratically elected governments (Trinkunas). The Roman Catholic hierarchy also supported party-dominated democracy during these years. Not surprisingly, most clerics preferred the Social Christian party. Nevertheless, AD and COPEI continued to make a place for parochial education and subsidized ecclesiastical operations. Parish priests, in turn, were expected to limit their advocacy on behalf of the urban poor and refrain from publicly criticizing the democratic system.

Marginalization or Elimination of Rivals

Some institutions and individuals resisted co-option by the new order, especially those who had been the ousted dictator's confidants. General Pérez Jiménez's inner circle followed him into exile, but many collaborators remained in the country. President Betancourt confiscated the assets of Pérez Jiménez's most notorious henchmen, but overlooked less visible ones. The general's supporters surfaced and began to attract a popular following in the late 1960s. Their political arm, the Cruzada Cívica Nacionalista (CCN, National Civic Crusade), surprised the Punto Fijo establishment in 1968 by polling 10 percent of the congressional vote. Resulting concern led AD and COPEI to join in passing a constitutional amendment that barred Pérez Jiménez from ever again serving as president. The general's implicit acceptance of this prohibition sounded the death knell for CCN.

Radical leftist opposition to Punto Fijo was equally intractable and more tenacious. Soon after it became clear that "revolution" as envi-

sioned by AD and COPEI would preserve an important role for traditional elites, radical leftists abandoned efforts to win elections and mounted an insurgency. However, they never managed to gain the confidence of the peasantry or of slum dwellers. After almost a decade of unproductive guerrilla warfare the leftist insurgents laid down their arms. As part of the agreement to abandon their insurgency, the guerrillas were allowed to run candidates in the national elections of 1973. Voting returns confirmed the conventional wisdom: the radical leftist had little support in Venezuela. Still, many militant Marxists never accepted the legitimacy of Punto Fijo democracy (Garrido, 1-13).

In summary, between the national elections of December 1973 and the unsuccessful military coup of February 4, 1992, the political rules that allowed AD and COPEI to dominate the party system and manage the Venezuelan state were widely accepted. To the degree that organized rural violence existed, it resembled banditry more than insurgency. In the slums crime remained a serious problem, but criminal overlords were content to work inside the Punto Fijo system. For more than two decades most observers, foreign as well as domestic, viewed the Punto Fijo polity with its institutionalized party system a model of democratic consolidation.

Weakening and Collapse of the Punto Fijo Party System (1992-2000)

The Punto Fijo party system's difficulties seemed manageable until the late 1980s. On February 28-29, 1989, rioting in Venezuela's ten largest cities laid bare embedded weaknesses that would have disastrous consequences over the coming decade. Slum dwellers turned to violence because the newly inaugurated government of President Carlos Andrés Pérez unexpectedly imposed austerity. This turn of events frustrated hopes that the new government could bring back 1970s-era prosperity. A simmering crisis of participation intensified the frustrations that flowed from Pérez's austerity program. Party leaders came under sharp criticism for resisting a more open policymaking process. The middle sectors were especially active in forming civic associations that demanded influence while resisting incorporation into the political parties. However, aging party oligarchs refused to open channels that would allow for greater participation.

At first it did not seem that frustrations with the traditional political parties could undermine domination of the political party system by AD and COPEI. As of early 1993 the two parties were still perceived as the

only viable alternative to each other. Indeed, COPEI was positioned to regain the presidency. The party had made a strong showing in the regional elections of December 1992 and AD was in disarray. Those elections followed in the wake of the second unsuccessful attempt by military officers to overthrow the government of President Carlos Andrés Pérez, who would be removed from office in less than six months. COPEI, however, failed to take advantage of its opportunity. A bitter contest for the presidential nomination between supporters of Rafael Caldera and a younger generation of leaders divided the Social Christians. When Caldera saw that he could not win the nomination, he bolted and founded a new political movement, *Convergencia Nacional* (National Convergence).

Four major presidential candidates ran in the closely contested 1993 elections. The nominee of COPEI finished third, receiving 23 percent of the total vote. AD captured 24 percent, a historic low, but finished second. *Causa R*, a long-dormant party of the militant left, finished fourth, with 22 percent. Rafael Caldera, running as the joint candidate of *Convergencia Nacional* and MAS, won the election with just under 31 percent of the total vote. This was the first time that a candidate other than the nominee of AD or COPEI had captured the presidency by democratic means (Molina and Pérez, 14-18).

The 1993 presidential election results shattered the myth of domination by AD and COPEI, reshaping perceptions of the consequences of electoral choice. Voting for third and fourth political parties no longer seemed quixotic. Surveys of public opinion in the year preceding the December 1998 presidential elections revealed that support for any of the likely AD or COPEI candidates remained in single digits, and that a majority of voters were disillusioned with both major political parties. Early in the election campaign, former beauty queen Irene Sáez, mayor of the wealthy Caracas suburb of Chacao, was the choice of most voters. However, her obvious lack of experience at the national level raised doubts about her candidacy during the first half of 1998. When Sáez attempted to regain momentum by accepting the presidential nomination of COPEI, support for her candidacy plummeted. This left Hugo Chávez Frías, organizer of the unsuccessful coup of February 4, 1992, as the preferred option for opponents of the *Punto Fijo* system.

AD and COPEI conducted a tenacious struggle to retain their privileged position, but Chávez dealt the two a crushing blow when he cap-

tured the presidency in December 1998, receiving more than 56 percent of the total vote (Molina, 219–25). Following his inauguration as president on February 2, 1999, the onetime coup leader persuaded voters to support the calling of a constituent assembly that would draft a new constitution. Balloting for assembly delegates gave Chávez supporters total control, and they abolished the sitting congress. In a national referendum held on December 5, 1999, voters approved the draft constitution. Presidential elections under the new constitution occurred on July 30, 2000, and again Hugo Chávez won a decisive mandate. AD and COPEI were so demoralized that they even declined to offer presidential candidates of their own. The only significant opposition to Chávez came from a former army officer, Francisco Arias Cárdenas, who had been second in command during the abortive coup attempt of February 4, 1992. President Chávez's political party, the Movimiento Quinta República (MVR, Fifth Republic Movement), gained control of the new unicameral National Assembly and elected three-fourths of the regional governors. This outcome sealed the marginalization of AD and COPEI and eliminated the last vestige of the Punto Fijo party system.

Unsuspected dissatisfaction with domination by the two parties had surfaced in the previously noted urban riots of February 28–29, 1989. This outburst signaled changes in the political consequences of how AD and COPEI were managing the polity, changes that eventually undermined domination by the two political parties. The first change involved long-standing procedures for aggregating political demands. The second derived from the choice by party leaders to continue the closed and hierarchical process of controlling their institutional infrastructure. Finally, the way the political parties dealt with each other, especially changes that occurred after the presidential election of 1993, had negative consequences for the party system. Hugo Chávez Frías, more than any other leader, succeeded in exploiting the vulnerabilities that flowed from the new political dynamics. His success stemmed from his commitment to replace Punto Fijo democracy with a more responsive political system, an obsession that meshed with the disgust that most Venezuelans felt toward AD and COPEI (Carrasquero and Welsch, 69–77).

The Pattern of Interest Aggregation

Changes in the political consequences of how interests were aggregated helped to unravel the corporatist party system. Our probe of these conse-

quences begins by focusing for a second time on the kinds of interest groups that populated Punto Fijo democracy. We saw that there were three: organizations that the political parties controlled, traditional institutions that antedated the political parties, and partially organized masses that party leaders intermittently bribed or ignored. Slum dwellers dominated the third category, while peasants and workers were most numerous in the first. AD and COPEI, as we have seen, organized workers and peasants during the 1940s, and they relied on their votes to win elections. The number of peasants declined as Venezuela became more urban, but organized labor remained a linchpin of support for AD and COPEI into the 1990s. Professionals also fall into the category of organizations that the political parties controlled. Venezuelan professional organizations, rooted in the medieval guilds, include associations (*colegios*) of lawyers, doctors, engineers, and others. Each party established its own Secretariat of Professionals and Technicians in the late 1960s, and within a decade AD and COPEI controlled the professional *colegios*. MAS also developed an organization of supportive professionals, but it lacked influence.

AD and COPEI used state resources to provide jobs, subsidies, and benefits to their tied interest groups. Dependence produced resentment, which the parties held in check through generous grants and subsidies. However, as we have seen, the late 1980s' declines in the market price of petroleum reduced the party system's capability to distribute. Pent-up resentments bubbled to the surface and played a major role in the urban riots of February 1989. Subsequent programs to privatize state enterprises further weakened the political parties' patronage capabilities. The dominant political parties still managed to service clients in the unions, peasant leagues and professional organizations with a reduced level of resources.

Slum dwellers received generous subsidies from the state during the petro-bonanza. Presidents Carlos Andrés Pérez (AD, 1969–74), Luis Herrera Campins (COPEI, 1974–79), and Jaime Lusinchi (AD, 1984–89) provided jobs, health care, and low-cost food. The urban poor, however, were the first to have their subsidies cut when economic conditions deteriorated. President Pérez's call to austerity frustrated their hope that living standards would continue to improve. It was an especially bitter pill, as big-city slums had voted overwhelmingly for a second Carlos Andrés Pérez presidency. Alienation intensified when the slum dwellers concluded that first President Pérez and then President Caldera were asking them to

bear a disproportionate share of the costs of economic decline. They grew ever more alienated—from AD, from COPEI, and from the democratic system itself.

Traditional institutions, the third collections of interests, changed their political preferences during the middle third of the twentieth century. In the 1940s they opposed mass democracy, in the 1950s they supported Pérez Jiménez's New National Ideal, and in the 1960s they joined with AD and COPEI to consolidate Punto Fijo democracy. We saw that party leaders promised traditional institutions economic resources and privileged access. To the Roman Catholic Church they allocated funds for parochial education and structural maintenance. The armed forces received economic security, modern weapons, and opportunities to study abroad. Party leaders also modified the military's traditional mission of defending the nation to include defense of elected governments and constitutional democracy. To the private sector (a mixture of entrepreneurs, merchants, and landowners), party leaders gave assurance that their representatives would have a strong voice in setting economic policy. Also, supportive businessmen received government contracts, and their enterprises were shielded from international competition. Agricultural producers were given a protected market.

For the parties, the political consequences of continuing to favor traditional interests under conditions of scarcity were less straightforward than the recriminations and withdrawal of support evoked by reductions in patronage to tied interest groups. First, the Roman Catholic Church of Venezuela was one of the weakest in Latin America. The potential for party-church relations to destabilize the political regime declined dramatically once AD accepted ecclesiastical interests as legitimate. Especially important was the decision by AD to allow Catholic schools to remain an important component of the Punto Fijo educational establishment. Correspondingly, the Roman Catholic hierarchy supported post-1958 democracy to the bitter end. To be sure, individual clerics periodically criticized AD and COPEI for their arrogance and corruption, and church leaders also cautioned against the neoliberal policies pursued by Presidents Pérez and Caldera in the 1990s. Nevertheless, in the matter of constraints on meaningful political participation, party-church relations were generally an exception to the frustrations felt by the leaders of many interest groups during the unraveling of two-party domination.

The aggregation of private-sector and military interests practiced by

AD and COPEI in the 1990s weakened the corporatist party system. Early in the decade neoliberal programs supported by AD and COPEI facilitated economic growth. They also empowered a class of privileged entrepreneurs who amassed ever larger profits after the turn to capitalism. Some of these profits fed conspicuous consumption.³ Contrasts between the impoverished many and the affluent few strengthened the impression that AD and COPEI had abandoned their commitment to social justice. Have-nots grew increasingly resentful. In other words, one important consequence of how corporatist linkages between the private sector and the government operated in the 1990s was a change in the popular image of AD and COPEI. In earlier times these parties were viewed more positively, as institutions dedicated to economic development that benefited all classes. The turn to privatization gave credence to charges that they had become closed institutions that favored the affluent and ignored the poor.

Punto Fijo party leaders never consciously alienated the armed forces. President Carlos Andrés Pérez consulted at length with his generals before dispatching the army and the National Guard to restore order after the 1989 urban riots. At that time, neither top party leaders nor the military high command foresaw the impact on middle-level and junior officers of having to use force against the urban poor. This turn of events opened the eyes of many in the armed forces to the shortcomings of Punto Fijo (Hellinger, 192–97; Norden, 76–81), and it increased the influence of a small group within the military that advocated using force to impose a political regime that more adequately represented the poor. The leader of this faction was Hugo Chávez Frías.

Discontent within the ranks of middle-level and junior officers intensified with the turn to privatization. Their superiors, as custom dictated, continued to benefit from the letting of contracts approved by party leaders. The official pay scale for military officers, however, failed to keep pace with inflation. Lieutenant colonels, majors, and captains had difficulty in covering the costs of their children's education. Even automobiles were priced beyond the means of many (Naím, 116–19). This contrasted with the lavish lifestyle of party leaders and private-sector junior executives. Resentments flowing from this inequality legitimated plans for the two military coup attempts during 1992, stimulated the organization of informal cadres that monitored voting during 1998 presidential election, and ensured that power passed to president-elect Hugo Chávez on Febru-

ary 2, 1999. To summarize, the policies that enabled AD and COPEI to retain military support between 1958 and 1989 had different consequences in the 1990s.

Closed and Hierarchical Policymaking

The style of policymaking characteristic of AD and COPEI at their birth persisted into the 1990s. It was a variant of democratic centralism, with a small group of leaders in the capital city making policy for the entire party infrastructure. AD's and COPEI's control over organizations of workers, peasants, and middle-sector professionals, as suggested earlier, enabled them to dominate electoral politics. The hierarchical party infrastructure also allowed top leaders to defeat and marginalize dissidents inside the party's tied organizations. Finally, democratic centralism proved critical in the strategic allocation of patronage, servicing clients on the basis of what national party elites considered important.

Between 1965 and 1975 top party leaders fought off efforts by challenging elites to force the nationalization of major domestic corporations and destabilize the settlement that they had achieved with the private sector. They also secretly negotiated terms of an amnesty that convinced the guerrillas to abandon their insurgency. And they favored the development of heavy industry south of the Orinoco River, at the expense of more populous regions. Notables from affected groups were consulted in advance, but in general party leaders set policy unilaterally, behind closed doors. Control of the party infrastructure allowed top party leaders to mobilize popular support in the event of challenges to their decisions, and control of the state insured that their decisions would become official policy.

The closed corporatist style that party leaders used to manage policymaking was never more evident than during the 1980s when Jaime Lusinchi was president. After the urban riots of 1989, criticism of this mode of allocating resources increased. Groups representing civil society, especially among the middle sectors, demanded a more open and responsive policymaking process (Coppedge 1994, chap. 6; Gómez Calcaño, 176–80). The state's diminished distributive capability was the immediate cause of these pressures, but other factors also played an important role. Policies set in place during the 1960s led to a more educated and mobilized population. Not only had the Caracas middle class grown exponentially, but by the 1990s important interior cities—Maracaibo, Valencia,

Barquisimeto, Maracay, Barcelona—boasted large numbers of successful professionals, industrialists, and shop owners. In addition, many unionized workers had joined the middle class. The upward mobility of these groups, based largely on their own initiative and hard work, gave them an activist orientation. They were not inclined to follow the arbitrary dictates of aging party leaders whose frame of reference came from an earlier era.

Some of the more astute leaders in AD and COPEI, especially those around Carlos Andrés Pérez and Eduardo Fernández, attempted to satisfy demands for greater participation. In 1989 they secured passage of state and municipal reforms designed to increase participation in regional and local party decisions and to reduce the control exercised from Caracas. These reforms included more primary elections and the popular election of governors and mayors, while in legislative elections the traditional system of proportional representation based on party lists was replaced by single-member, winner-take-all districts. The leaders implementing these reforms hoped that increased participation and political decentralization would compensate, at least in part, for the diminished distributive capability of the national government. With political responsibility divided between elected officials from three levels of government, dissatisfaction with politicians would not all be focused on national leaders.

The top leaders of AD and COPEI never allowed the decentralizing reforms of 1989 to be fully implemented. In both parties, elements desirous of retaining centralized control gained the upper hand. National leaders used their control over regional and local party organizations to dominate primary elections. The habit of democratic centralism died hard. In AD the rivals to Secretary-General Luis Alfaro Ucero either abandoned the party or were forced out. On the eve of the 1998 presidential election, campaign centralization within AD was unprecedented. Inside COPEI the turbulence over implementing decentralization was even more pronounced. Party militants, demoralized by COPEI's unexpected loss in the 1993 presidential elections, deserted in droves. A sense of defeatism pervaded the local and regional infrastructure. National party officials turned for leadership to Luis Herrera Campins, the last COPEI president. Herrera, a master strategist who favored domination from Caracas, restored order. However, he was handicapped by the persistence of negative attitudes toward his government (1979–84), considered by independents to have been the most corrupt of the Punto Fijo era (Molina, 229–35).

The presence of aging and authoritarian leaders at the helm of AD and COPEI crystalized negative feelings that had surfaced during the 1990s. The closed corporatist style of Alfaro and Herrera was anathema to most Venezuelans, and the combined vote for AD and COPEI in the December 1998 presidential balloting fell to single digits. In public opinion polls, attitudes toward the two political parties were so negative that any return to favor seemed unimaginable (Gil, forthcoming).

Cooperation between AD and COPEI

While AD depended on COPEI to institutionalize Punto Fijo democracy, AD was the stronger by far. However, the leaders of AD calculated that many traditionalists would always be hostile because of the party's leftist ideology and lower-middle-class origins. Traditional groups helped to oust the first elected AD government on November 28, 1948, when they prevailed upon the military to stage a coup against the elected government. As discussed earlier, ten years of struggle against military dictatorship convinced the AD leadership that if democracy were to take root in inhospitable Venezuela soil, opposition to their party would have to be channeled into a democratic alternative. AD secretary-general Rómulo Betancourt saw COPEI as that alternative. Betancourt respected COPEI's Rafael Caldera and believed that he was capable of forging a coalition of groups that disliked AD into a viable democratic political party. Betancourt also viewed the Christian Democratic ideology and AD's social democracy as mutually reinforcing. In 1968, following a hotly contested and disputed presidential election, Betancourt joined with President Raúl Leoni (AD, 1964–69) to persuade AD to relinquish the presidency to Rafael Caldera, the apparent victor. This decision proved crucial to consolidating Punto Fijo democracy (Martz, 68–71). It ushered in twenty-five years of cooperative corporatism that saw AD and COPEI jointly manage interest aggregation, policymaking, and political recruitment.

During most of the second Carlos Andrés Pérez administration (1989–93), when representative democracy was unraveling, COPEI closed ranks with AD to defend the Punto Fijo system. Following the urban riots of 1989, both political parties supported reforms that increased the number of regional and municipal elected offices and opened the possibility for more citizen participation in local party affairs. After Lieutenant Colonel Hugo Chávez Frías mounted his unsuccessful coup on February 4, 1992, COPEI formed a grand coalition with Pérez in a vain attempt to stabilize

the political situation. However, Pérez's arrogance and the electorate's widespread opposition to his neoliberal program doomed the effort. Those in COPEI who had participated in the grand coalition lost control of the party, which suffered a major blow when Rafael Caldera bolted and launched an independent run for the presidency. In the midst of the presidential election campaign, on May 12, 1993, as we have seen, COPEI and AD cooperated to remove the unpopular Pérez, formally charging him with misusing the secret national security budget (McCoy and Smith, 254-56).

Rafael Caldera's victory in the December 1993 presidential election changed how AD and COPEI related to each other. Until then, whichever party controlled the national executive had provided the other with patronage sufficient to service its hard-core clientele. Rafael Caldera, however, intended to fold COPEI into a new Christian Democratic political party, a more inclusive incarnation of *Convergencia Nacional*. He wanted to isolate and marginalize the leaders of COPEI, his ungrateful "children" who had taken control of the political party that he founded and nurtured. However, the coalition that elected Caldera lacked a majority in the congress, and the president needed help from AD in order for the congress to pass his budgets.

President Caldera offered a deal to the AD secretary-general, Luis Alfaro Ucero. He would provide AD with the patronage that party leaders needed in order to service their clients, and in return AD's congressmen and senators would support the government's legislative program. Alfaro agreed. In so doing, AD gave its blessing to Caldera's plan to dismember COPEI. This reversed a policy of more than three decades during which AD had built up COPEI as a viable challenger for power. However, the task of creating a new Christian Democratic political party proved too much for the octogenarian president. Caldera left COPEI an empty shell, and *Convergencia Nacional* withered away. On the eve of the 1998 presidential election campaign there was no system-supportive alternative to AD.

The Good Fortune of Hugo Chávez Frías

Rafael Caldera's second government was a failure by almost any standard. The economy continued its downward spiral, the political party system lost its last vestiges of legitimacy, and most Venezuelans began to search for a different kind of democracy. Caldera's deal with AD secre-

tary-general Alfaro provided AD with resources in the short run, but ultimately it weakened AD. The party came to be perceived as part of the unpopular Caldera government, and Alfaro used the resources that he received from Caldera to strengthen some of the most reactionary elements inside AD. In addition, Caldera's formal coalition with MAS undermined that party's status as a system-supportive radical alternative to AD and COPEI. For one brief moment the militantly leftist Causa R appeared poised to take up that banner. However, a fratricidal struggle between partisans of the two most important Causa R leaders, Andrés Velásquez and Pablo Medina, discredited them both. Medina bolted to form a new party, Patria Para Todos (PPT, Fatherland for All), but to most Venezuelans the PPT appeared opportunistic and ineffective. To summarize, the political situation at the start of the 1998 presidential election campaign was unprecedented. Most voters rejected all of the established partisan options.

Hugo Chávez Frías began planning his run for the presidency in 1994, when President Rafael Caldera released him from prison and restored his political rights (Vivas, 33–54). Nevertheless, support for Chávez's candidacy remained in single digits at the beginning of 1998, when beauty queen Irene Sáez occupied center stage. Sáez's inept campaign left Chávez as the obvious choice for the frustrated majority, most of whom wanted to punish AD and COPEI. Only when the middle classes realized that Chávez had become the favorite did they flock to the banner of independent Enrique Salas Römer, governor of the industrial state of Carabobo. However, the deals that Salas cut for support from AD and COPEI resurrected fears that he would govern as a figurehead for the two long-dominant political parties. A decisive majority of voters viewed the continuation of that domination as more threatening than the unknown course on which Venezuela would embark if they opted for the enigmatic lieutenant colonel and his Bolivarian Revolution.

Party System and Corporatism in the Fifth Republic: Conclusion and Assessment

This essay has examined why an entrenched, corporatist configuration centered on political parties lost its capacity to structure relations between civil society and the state, to command citizen loyalty, and to recruit effective leaders. It found that these diminished capabilities derived in large

part from the insistence of the dominant political parties, AD and COPEI, on adhering to outdated procedures and policies. These procedures were critical for institutionalizing representative democracy in the 1960s, but thirty years later they had the opposite effect. In addition, the Venezuelan economy contracted during the last fifteen years of the Punto Fijo system.

Three previously stabilizing procedures or operational characteristics stimulated political decay during the 1990s. First, AD and COPEI had ruled on the basis of an elite agreement in which they joined with labor and business to channel political access and make policy. Given the direct control that the parties exercised over organized labor, they could impose the terms that bartered votes for benefits from these tied interests. Entrepreneurs enjoyed more autonomy. Party elites conceded to them a pivotal role in the new political order. Industrialists and merchants, in return, accepted popular elections and state control over basic industries. The political parties also guaranteed supportive business interests handsome profits through the sale of goods and services to the state enterprises.

Second, this triumvirate of political parties, organized labor, and business bought off three other powerful sectors—the military, the Church, and the professional middle class. The officer corps, the ecclesiastical hierarchy, and the professional *colegios* gained economic resources and political privileges, but they were largely excluded from policymaking. This arrangement, dependent in large part on ample state income from petroleum, allowed political parties, big business, and organized labor to run things for their own benefit.

The third of the operational characteristics that favored party system consolidation during the 1960s, yet had a different impact after the urban riots of 1989, was the control exercised from Caracas over the regional and local organizations of AD and COPEI. Those organizations dominated the regions, linking them back to central authority in Caracas. Depending on partisan alignments in the state legislatures and municipal councils, party leaders, sometimes in consultation with labor and business organizations, controlled wealth and power in the region. Regional elites, however, remained dependent on their counterparts in Caracas. Again, effective participation in policymaking demanded some capability to manipulate the levers of power inside AD and COPEI at the center, and for groups and individuals not resident in the capital city this was impossible. Frustrations with domination from the center led to decentralizing re-

forms in the 1990s, and these reforms undermined two-party dominance of the Punto Fijo party system (Levine and Crisp, 227–28).

How and why did the corporatist party system of post-1958 democracy decay and collapse? By all accounts it was more open and representative than the dictatorship that it replaced. And, as we have seen, it operated efficiently over several decades. This analysis found that decay and collapse were the consequences of the system's failure to evolve in ways that accommodated to new conditions and interests. Most significantly, the urban poor became the largest social stratum, and they were excluded from policymaking even though the political parties claimed to represent the interests of all classes. Exclusion of the urban poor from the inner circle made it easy for party leaders to reduce the resources that slum dwellers received once economic decline set in. Economic deprivation led to alienation, with the urban poor rejecting established political parties and their democratic system.

The second related process that led to decay was the unwillingness of AD and COPEI to allow new generations to assume positions of leadership inside the parties. The most important political party leaders of the 1990s were the same ones that had crafted and institutionalized representative democracy in the 1960s.

Third, this examination found that during the 1990s, in contrast to the 1960s, AD and COPEI did not assist each other when they came under attack from forces intent on dismantling the political regime. An unwritten but central operational characteristic of post-1958 democracy was to maintain as the most important political opposition force an institution that supported the Pact of Punto Fijo. Accommodations between AD and President Caldera during his second administration destroyed COPEI, the political party that had fulfilled that role for four decades. The December 1998 presidential election became a contest between supporters and opponents of Punto Fijo democracy, and the latter won. President Hugo Chávez quickly replaced the established constitutional order, revealing that the regime managed by AD and COPEI was enfeebled to an extent that few suspected.

Deterioration in the state's income from petroleum, a critical factor in its capability to nourish the clients of AD and COPEI, also contributed to the demise of the party system. Population growth magnified the impact of this deterioration, as the number of Venezuelans increased from 13 million at the height of the petroleum boom to roughly 22 million in

1998. Therefore, when Venezuelans voted for president in December of 1998, their real per capita income had fallen to the level of the early 1960s. This decline convinced most of them that something was wrong with the government, the political regime, and the political system. It doomed efforts by AD and COPEI to salvage their political dominance even though, after the urban riots of 1989, the two made a valiant effort to adjust to new conditions. As suggested earlier, their national leadership put in place a plethora of procedures intended to accommodate demands for greater responsiveness. Many of these reforms, however, were implemented halfheartedly, and this further eroded support for AD and COPEI. Finally, experimentation with neoliberal policies by the second Pérez and Caldera governments intensified the impact of socioeconomic factors in growing dissatisfaction with the long-dominant political parties. Neoliberalism, on the positive side, stimulated short-term growth. But it also increased the existing mal-distribution of wealth and income. As the 1990s unfolded, most Venezuelans came to view AD and COPEI as having betrayed their commitment to social justice.

Chávez Frías resolved to marginalize political parties, and in large measure he succeeded. Distaste in the collective memory for how AD and COPEI operated persists, complicating the task of those seeking to institutionalize new political parties. The dominant party of the Fifth Republic is the Movimiento Quinta República, but it lacks a permanent institutional infrastructure, being little more than the personalist vehicle of Hugo Chávez Frías. Individuals on the government payroll direct its activities. As of 2003 little remained of MAS, a political party that once seemed to have a bright future as a coalition partner to the MVR. MAS survived the national elections of December 1998 and July 2000 with a display of deft political acrobatics. In both contests the party joined with Chávez loyalists to form the Patriotic Pole. However, soon after the municipal elections of December 2000 the president attacked, divided, and all but destroyed MAS.

AD survived the elections of 2000 as a regional party in eastern Venezuela. It elected a small number of deputies to the National Assembly and organized the only cohesive opposition faction in that institution. AD also retained control of one-third of the municipal governments, mostly in rural areas. COPEI, however, all but disappeared. Several new movements, such as *Primero Justicia* (Justice First) and *Proyecto Venezuela* (the Venezuela Project), enjoyed limited electoral success in the middle-class

zones of Caracas and several other large cities (Molina, 225–29). However, the Chávez government excluded all opposition political parties from meaningful participation in policymaking. In localities where the opposition controlled regional and local governments, the national executive refused to follow the law that required the transfer of a percentage of the central budget to each state and municipal government. Instead, funds from Caracas were channeled through the local military garrison commanders.

During the first quarter of 2002, President Chávez implemented the Bolivarian agenda in an ever more partisan manner. Opposition politicians, many with little in common other than a loathing of the Bolivarian Revolution, responded by organizing a loose alliance, the Democratic Coordinator. The Democratic Coordinator joined with unions and business organizations to oppose the Bolivarians. Their efforts evolved into mass protests, and on April 11 street violence led to a short-lived coup that temporarily ousted the president. Following Hugo Chávez's reinstatement, his relations with the opposition continued to deteriorate. With the aim of forcing an early presidential election, the frustrated opposition mounted a general strike in December 2002. It lasted for almost three months and devastated the economy, but it failed to break the Bolivarians' hold on power. As of early 2004 the triumvirate that dominated Punto Fijo democracy had become the Fifth Republic's disloyal opposition, but a disloyal opposition that seemed to grow weaker by the day.

The fate of political parties in the Fifth Republic raises important questions: If political parties as a group don't aggregate interests or allocate resources, what institutions perform these functions? And how do they do it? Answering these questions requires us to keep in mind that Venezuela's 1999 constitution reflected the Bolivarian desire to centralize policymaking. Chávez's inner circle envisioned a national executive that would communicate directly with citizens. In drafting the constitution, however, they made an apparent concession to supporters of decentralization, agreeing that a percentage of the national budget would be funneled through regional and municipal governments. This process was to be managed by the Federal Council, a body composed of the (elected) state governors and the cabinet officers responsible for infrastructure development, and chaired by the vice president. Once in power, however, President Chávez portrayed regional and municipal governments as islands of clientelistic politics, barriers to establishing a new revolutionary order. Three years

into his presidency under the Bolivarian constitution, Chávez has yet to institutionalize the Federal Council.

The president's inner circle is composed predominately of military officers who had conspired with him in the unsuccessful military coup of February 4, 1992. They view the national bureaucracy that the Fifth Republic inherited as even more corrupt and inept than state and local governments. In contrast, they have portrayed the armed forces as competent and honest. Therefore, in the first year of his government, while still operating under the 1961 constitution, President Chávez turned to the military in the expectation that the generals and admirals would distribute resources professionally, and with an eye to institutionalizing the Bolivarian Revolution. Funds poured into the local garrisons under an arrangement known as Plan Bolívar. This plan required garrison commanders to deal directly with newly created neighborhood councils in order to ascertain needs and implement programs. This reliance on the regional garrisons was interrupted on April 11, 2002, when elements of the military opposed to Chávez and the Bolivarian project temporarily ousted the president. Following the collapse of the coup, President Chávez purged dissident officers, and since then his control over the military appears solid. Even more so than during the Punto Fijo regime, supportive officers benefit from the military's role in allocating resources. Still, President Chávez appears more wary of the armed forces than before the coup of April 11.

Any definitive answer to the question of which institutions control policymaking in Fifth Republic Venezuela will remain unknowable until some sense of normalcy crystallizes. The Bolivarian experiment clings to power, but the specter of civil war hangs over the country. Whereas Punto Fijo democracy sought to dampen class conflict using a controlled corporatist system managed by political parties, the Bolivarians have energized class conflict. The new order that President Chávez seeks to institutionalize would empower those whom the Punto Fijo experiment marginalized. As of late 2003, the groups that prospered in 1958–98 and those who were left behind cannot agree on how policy should be made, who should make it, or what it should be. From this perspective, the decades of political stability provided by the limitedly democratic corporatism imposed by AD and COPEI stand as a significant accomplishment. Nevertheless, that system's failure to provide for an orderly process of generational change, its neglect of the urban poor, and its unseemly demise have so polarized

social conflict that a democratic exit from the present impasse is difficult if not impossible.

Notes

1. COPEI is an acronym for Comité de Organización Política Electoral Independiente.

2. The name of the pact, aptly endowed with double meaning, referred both to the fixed course that its signatories intended to pursue and to the seaside city of Punto Fijo, hometown of Caldera and the place where the pact was agreed to.

3. An especially offensive example of conspicuous consumption occurred during my visit to Caracas during July of 1991. At that time one newly wealthy entrepreneur chartered an airplane that transported two circus elephants from Florida for his daughter's tenth birthday party. During the same week an article appeared in the Caracas press discussing how persisting malnutrition in the slums had resulted in lower birth weights for children born during the preceding two years.

Colombia

Pluralism and Corporatism in a Weak State

Harvey F. Kline

Introduction

Twenty-five years ago John Bailey concluded that Colombia did not follow the corporatism model in its state-group relationships. As he stated:

To anticipate the conclusions, I shall argue that corporatist features of Colombian interest politics do not reflect a reemergence of a sociopolitical logic of medieval and colonial Spanish institutions, as proponents of cultural determinism might suggest, but rather are associated with choice taken to expand the role of the central government in promotion and regulation within a political regime of procedural democracy and social pluralism. Also, I shall attempt to demonstrate that while intellectual and institutional features of historicocultural corporatism are to be found in the Colombian experience, the overall pattern of interest representation may more accurately be described as a variant of pluralism.¹

Bailey's conclusion was generally correct in describing the historical patterns established in the country. However, at times a search for a holistic solution has emerged during periods of extreme crisis in Colombia. This has been shown in the four years when a military dictator attempted to change those Colombian historical patterns, during the National Front period, and most recently at the beginning of the twenty-first century when attacks were made on the social-economic-political elite in Bogotá.

In this chapter I evaluate the mixture of pluralism and corporatism in

Colombia, as tempered by the continuing national pattern of violence. To update this evaluation from that done by Bailey, I first analyze the Colombian state up until the time that he wrote in the mid-1970s, adding to his major conclusions. Then I consider the three major changes since that date—the change and intensification of violence, the constitutional reform of 1991, and the globalization of the economy with its effects on Colombian groups. I conclude this chapter with an evaluation of interest group–state relations at the beginning of the twenty-first century. I find that despite the changes of constitution, conflict, and trade, Colombia still is a mixture of pluralism and corporatism, with the former having greater importance.

This argument is made through the analysis of three major regime periods of Colombian history. The first was from independence until 1958 and could be called “the partisan, sectarian bipolar weak state.” Instead of a centralized state that might have had more corporate features, there was a bipolar state with intense competition between the Liberal and Conservative Parties. Within each party there were quasi-corporate characteristics. When the Conservatives were in power, the party had the support of the military (by placing in command officers in sympathy with it), the Roman Catholic Church (always favoring it), and, in the twentieth century, its labor confederation. When the Liberals were in power, the party had the support of the military (through the same mechanism that Conservatives had used) and, in the twentieth century, its labor confederation. The Liberals, however, never had the support of the Church.

The second regime was the National Front (1958–74). During this period, after the leaders lost control of the terrific violence between the two parties, Colombia had its most corporate experience. The two parties continued to exist, but they did not compete with each other, and no other party was legal. The military was no longer partisan and, along with the Church, supported the Front. Yet the Front did end as planned in 1974, and the transition (*desmonte*) was a far cry from a Colombian version of Mexico’s Partido Revolucionario Institucional, for which some leaders called.

Finally, the current regime is “slightly open democracy, more pluralism, and the disintegration of the state through additional violence.” It is more democratic, since there is neither the sectarianism of the first regime nor the consociational features of the second. However, violence has become worse, presidential candidates have been assassinated, and the guer-

rilla groups and paramilitary squads have begun controlling vast parts of the national territory. Although violence has reached world-leading levels that might have led to some corporate solution, it was only at the end of the period—when the social, economic, political elite in Bogotá was attacked—that some sort of corporate structure was discussed.

Independence to 1958: The Partisan, Sectarian, Bipolar Weak State

Because of topography, the country we now call Colombia was decentralized even before independence, with major centers of population in Bogotá, Cartagena, and Popayán. After independence the weak civilian state developed three paramount characteristics related to the legal system, the use of violence in politics, and the rules of the elite political game. It is only within the context of those three that corporatism—or its absence—can be understood in Colombia.

The Legal System

Early in Colombian history, political leaders made two decisions concerning the nature of rule enforcement. One was not to construct strong law enforcement agencies, since they might be a threat to civilian government. The other was to allow private groups to take the place of official law enforcement—from the landowners of the nineteenth century to the paramilitary groups, assisted by the military, who have fought the guerrillas since the 1980s.

The nation's decision makers never decided to construct a large police force that would allow the national government to apply its decisions in all parts of the country. Nor were the national armed forces allowed to have much power. This meant that private landowners in the nineteenth century made the rules for the areas of their landholdings, chose some of their employees to enforce them, and had workers who misbehaved (according to the definition of the landowner) kept in certain places, in effect private prisons. In so doing the country had made a trade-off. Unlike in other Latin American countries, violence would originate not from the government but, on the contrary, from the lack of government.²

Although one might doubt that a strong national police force was feasible in nineteenth-century Colombia, the basic reasons for this decision also included Colombian leaders' fear of the institutions of a strong state, especially the armed forces and the police. Too many other Latin Ameri-

can countries had seen such institutions end elective governments. Also Colombian leaders, primarily from the upper economic groups, did not want to raise the taxes that a strong military and national police would necessitate, especially since those taxes would necessarily come from their own economic sector. Better to let those who needed a police force (the large landowners) do it themselves, paying a sort of “users’ fee.” Not constructing a national police force left effective power in local hands, instead of delegating it to some far-off national government.

The Use of Violence in Politics

Violence in politics was first loosed in the name of party, beginning in 1838 and continuing until at least 1965. This violence became more intense when religion entered the partisan conflict, from 1853 up through La Violencia of 1946–65, even though nearly all involved were Catholic. For individuals the potential consequences of violence later diminished when it was agreed that partisan violence might be amnestied, as happened at various times, most recently in 1953 and 1958. Indeed, given the relatively closed nature of the political regime during the National Front (1958–74), it was decided that even Marxist guerrilla violence was justified and might be amnestied, as is done to this day.

In Colombia political competition was never limited to peaceful means. There were eight civil wars during the nineteenth century, six of which pitted part or all of one party against the other party. As a result of these civil wars—which, in total, lasted eleven of the sixty-three years between 1839 and 1902—the peasant masses “participated” in national politics and knew of the national political system. Of course, this did not mean that the masses had influence on the policies of the elite. Most of the mass participation at that time was due to their ascription to a *patrón*, who instructed them when and against whom to fight. In those civil wars thousands of poor campesinos died.

The tradition continued in the twentieth century, with a short period of partisan violence in 1932 and then, from 1946 to 1965, the particularly intense period called La Violencia, in which at least 200,000 Colombians died, most in the name of the Liberal and Conservative Parties.

The result, as the Colombian historian Fabio Zambrano Pantoja interprets this historical trend, was that

The *real people*, that is to say, the majority of the population, learned politics through the use of arms before they did through the exercise

of the suffrage. First one learned to fight and later to vote. This caused the exercise of politics to be conceptualized as a conflict before it was conceptualized as a place of concord, in this way applying the generalized idea that *war is the continuation of politics by other means*.³

The frequency and intensity of violence in the nineteenth century had effects that lasted at least until the end of La Violencia. The numerous civil wars and the widespread participation of the campesinos in them led to a strict and intense partisan socialization of the masses. Many, if not most, campesino families had "martyrs," family members who had been killed, disabled, or raped by members of the other political party. While original party identification of campesinos came from those of their *patrones*, at some point this identification developed a life of its own, based on the past. Colombian sociologist Eduardo Santa said Colombians began to be born "with party identifications attached to their umbilical cords."⁴ Other cleavages, such as social class and regionalism, became secondary to the primary party one. Third parties were notably unsuccessful until the 1990s. Populism never became as important as in most other Latin American countries.

Violence became the normal way to handle things. As a Colombian sociologist said to the author in an interview in 1994, "We have no ways to channel conflicts. Probably because of the traditional oligarchic setup of the Liberal and Conservative Parties, we never developed peaceful ways to resolve conflict. If we have disagreements, we think only of violence as the way to solve them."⁵

The Elite Political Game

Within Colombian democracy there were separate rules for the elite. While the party masses were allowed and even encouraged to take up arms against the members of the other party, party leaders generally got along quite well with each other. Indeed, at times they entered into governing coalitions, most notably the National Front through which the two parties constitutionally shared power equally for sixteen years.

There were twelve occasions between 1854 and 1949 when one political party at the elite level entered into a coalition with all or part of the other political party. These elite coalitions tended to take place when presidents assumed dictatorial powers, when party hegemonies shifted, and, especially in this century, when elite-instigated violence got out of control.⁶

The Rojas Years, 1953–57

After overthrowing President Laureano Gómez in June 1953, General Gustavo Rojas Pinilla showed interest in both a more active state and one that was organized differently. His plan consisted of three parts, respectively having to do with peasants, organized labor, and political parties. The groups that had traditionally controlled the regime—the political parties, the Roman Catholic Church, and the economic interest groups—immediately and vigorously opposed his efforts. In the end Rojas was unsuccessful, and Colombia after 1957 reverted to its pre-1953 patterns.

In September 1954 Rojas, demonstrating his concern for the uprooted, homeless, and penniless peasants who had flocked to the cities because of the violence, established the National Secretariat of Social Assistance (SENDAS), with his daughter María Eugenia as its head. Acting through SENDAS, the Rojas government tried to rebuild peasant life by granting loans. Aims of SENDAS also included the establishment of day-care centers for infants, and kindergartens and social welfare centers in all the principal cities; obligatory social service for women between eighteen and forty; the creation of a special certificate of merit for any woman who, in the course of the year, taught an illiterate to read; and the creation of technical institutes that would direct the training of Colombian children and the reeducation of juvenile delinquents. Under SENDAS social security was extended to peasants for the first time. A minimum payment was assured to peasant families upon the death of the father. The organization also announced a national mortgage bank and a Banco Popular with low rates of interest.⁷

The second change was in the structure of the state, with attempts to bring a more corporate model into force for the first time in Colombia. This included an attempt to create a new political party, to be above the traditional parties, and to reorganize labor.

In December 1954 a group of Liberals and Conservatives met with Rojas to propose a third force against sectarianism and the phenomenon of political violence to which the country had been subjected. In a radio broadcast Rojas adviser Lucio Pabón Núñez announced the formation of a the *Movimiento de Acción Nacional* (MAN, National Action Movement), designed as a temporary group with representatives from all sectors of national life. It was briefly encouraged by the announced signing up of the *Confederación Nacional de Trabajadores* (CNT, National Confederation of Workers), a Peronist organization with strong “justicialist” leanings borrowed from the Argentine labor movement.⁸

Before Rojas took power, organized labor was dominated by the Confederación de Trabajadores Colombianos (CTC, Confederation of Colombian Workers), founded by the Liberal Party, and by the Unión de Trabajadores Colombianos (UTC, Union of Colombian Workers), established by the Conservative Party and the Roman Catholic Church. The Liberals had founded the CTC in 1936. After the Conservatives came back to power in 1946, they repressed the CTC and allowed the Jesuit-founded UTC to flourish. The CNT, in its competitive battle with the CTC and UTC, had already received the support of Rojas, who not only gave it juridical status in 1954 but directed the minister of labor personally to draw up a draft of its objectives. In turn the CNT had come out strongly for Rojas.

The Church soon showed its opposition to the CNT when a cardinal condemned it as "Peronist and anti-Catholic."⁹ This by inference was also a condemnation of the MAN. The CNT had refused to accept designation as a confessional union, wanting no part of Church intervention in social matters.

The Rojas efforts reached a climax on June 13, 1956, the second anniversary of his accession to power. In the center of Bogotá in the Plaza Bolívar, banners and posters showed a crossed rifle and shovel and bore the slogan "People-Army-Third Force." The officers of the armed forces took an oath to fight for the dominance of the Third Force until all Colombians joined its banner. The president declared that he wanted no support from the two historical parties and that the bases of the Third Force would be the army and labor. The president's insistence that the Third Force would be more than just another party was illustrated by the slogan "Country above Parties."¹⁰

Because of his coercive efforts for change, other evidences of the dictatorial nature of the regime, and renewed violence in the countryside, Rojas was overthrown on May 10, 1957. A caretaker military junta then ruled for a year, until civilians came back to power. The Rojas years, with their failure to change ingrained patterns, show that Colombia—perhaps more than any other Latin American country—was and still is a prisoner of its past. The domination of the Liberal and Conservative Parties, founded in the 1840s, has precluded authoritarian rule; the four-year Rojas military government was the only exception in the twentieth century. Under civilian government, Colombia has had a weak state, with little blatant authoritarianism and few signs of a full corporate state.

The National Front, 1958–64

The longest, most formal coalition of the Liberal and Conservative Parties was the National Front. In an agreement first proposed by party leaders and later approved in a national referendum as a constitutional amendment, power was equally shared during sixteen years. The presidency alternated between the two parties (the only legal ones), while all legislative bodies were divided equally between the two parties, as were executive cabinets at all levels, governors, mayors, and non-civil service bureaucrats.

Hence it took a civil war, lasting more than ten years and with a quarter of a million deaths, before the two parties established a regime that was the closest that Colombia ever came to corporatism. In addition to the only two legal parties, it included organized labor (both the CTC and UTC), the military, and the Roman Catholic Church.

The Roman Catholic Church had long been allied with the proclerical Conservative Party. During La Violencia the hierarchy supported that party, at one point even threatening to excommunicate individuals who voted for the Liberals. In the election of 1949, although not making such threats, the National Bishops' Conference asked the faithful not to vote for the Liberal candidates who might "wish to implement civil marriage, divorce, and coeducation, which would open the doors to immorality and Communism."¹¹ During the Front, however, the Church became a supporter of the regime rather than just one party. Posters outside churches called for citizens to vote for candidates of the parties who sponsored the Front.

Slightly Open Democracy, More Pluralism, and the Disintegration of the State through Additional Violence

On August 7, 1974, the National Front ended. Although some leaders called for its continuation by forming one party such as the Mexican PRI, in the end the *desmante* ("dismantling") of the Front left a quasi-consociational regime until the a new constitution was approved on July 4, 1991. During the *desmante* the major concession was that the president had to include in his cabinet members of the party that finished second in the presidential election. However, the stipulation that the representation should be "adequate and equitable" (ultimately defined by the president himself) meant that Colombia entered the most democratic regime of its

history. Violence of party against party did not recur. The Liberals and Conservatives were in competition with other parties, although in the end they were not successfully challenged.

One might have expected that the Colombian state could have finally developed in another way after the National Front, since the old party hatreds had been discarded. But neither a more "modern" nor an organic state appeared. As Colombian sociologist Francisco Leal Buitrago argues, Colombia lost those opportunities during the National Front years:

Bureaucratization and clientelism substituted for sectarianism as the source of reproduction of the political parties. But in spite of the profundity of this change, the long-lasting political weakness of the State was not significantly altered. The bureaucratization of bipartisanship and the transformation of clientelism into the axis of the political system prevented the widening and retarded the expansion of the state into new policy areas.¹²

This clientelist system continued after 1974.¹³

New Challenges Arising in the 1960s–1980s

Although the Colombian government had but tenuous control over the great majority of the national territory in 1958, three "new" groups emerged during and after the National Front, providing new challenges to the government and setting up *de facto* governments in parts of the country. In rough chronological order they were guerrilla groups, paramilitary squads, and drug dealers. While the analysis below suggests that they are separate groups, in fact there are various connections among them. Coalitions are in constant flux, and the only constant theme seems to be "The enemy of my enemy is my friend."

Guerrilla Groups

Leftist revolutionary groups in the countryside go back to the final years of La Violencia and have continued ever since. In the years since the National Front there have been four major guerrilla organizations in Colombia, two of which survived into the twenty-first century.

The first such group to emerge, in 1962 toward the end of La Violencia, was the pro-Castro Ejército de Liberación Nacional (ELN, Army of National Liberation). The ELN was officially born on July 4, 1964, and was initially composed primarily of university students. In 1966 the Communist Party-dominated Fuerzas Armadas de la Revolución Colombiana

(FARC, Armed Forces of the Colombian Revolution) was founded, although Communist-oriented peasant defense groups predated that by more than fifteen years. As early as 1949 the Communist Party had urged the proletariat and other people to defend themselves.¹⁴

There were two additional guerrilla groups in the 1970s and 1980s. A pro-Peking Ejército Popular de Liberación (EPL, People's Liberation Army) was founded in 1972, adopting the "prolonged people's war" strategy, and very soon was close to extinction.¹⁵ It accepted a peace proposal in 1989, though it was to reappear in the 1990s. The Movimiento 19 de Abril (M-19, Nineteenth of April Movement), claiming to be the armed branch of Rojas's party ANAPO, made its appearance in January 1974. It also accepted a peace proposal in 1989.

Paramilitary Groups

Colombian history has been replete with examples of paramilitary groups. The first notable one of the twentieth century is usually dated to La Violencia, when "peasant self-defense groups" organized themselves in Chapparral (Tolima), with a concentration of a thousand families. In the 1950s similar groups appeared in other places, including Meta, Caquetá, and Huila. Ironically, the Fuerzas Armadas de la Revolución Colombiana originated in one such group.

After the end of La Violencia, the legal basis of the paramilitary groups was Decree 3398 of President Guillermo León Valencia (1965) and Law 48 of 1968 during the presidency of Carlos Lleras Restrepo. The basic clause said that the government in activities to reestablish normality could use any citizen. In the 1970s, with the growth of the FARC and the progressive hostility of it toward the civilian population, especially ranchers and large farmers who could pay protection money, individuals of traditional political affiliation adopted the "self-defense" structure to repel the guerrilla aggression. Many of the early self-defense groups arose almost by spontaneous generation among those who sought a solution to the constant demands of the guerrillas and the lack of effective governmental protection of honor, life, and property in all the national territory.¹⁶ Although later both the drug dealers and the guerrillas were involved, this was not so at the origin of the paramilitary groups.

During the presidency of Virgilio Barco (1986–1990) paramilitary groups experienced a dramatic change. As drug lords became wealthy they bought land. While at first this was so that they could be "gentleman

farmers," later it was to grow coca. Regardless of which applied, drug money started going into paramilitary squads.

During the Barco presidency, the official connection between the Colombian military and the paramilitary groups was ended, although some believe it continues to exist. For some time the military had provided assistance in arms and training, and a mere statement by the government in Bogotá that the connection had ended did not, in fact, mean that it had.

Drug Dealers

Another problem that arose for the Colombian government was powerful drug-organized crime. At first the simple appearance of drug trafficking and even the organized crime that accompanied it were not considered threats to the Colombian government. However, they did become so when drug groups grew so powerful that any politician, judge, or journalist opposing them was either bought off or killed.

The country's role in the international drug market developed very rapidly. One reason for its rise was the major drive against drugs launched by Mexico in 1975, at the urging of the U.S. government. This led to Colombia becoming "the epicenter of marijuana production in the hemisphere." Colombia came to be the provider of 70 percent of U.S. marijuana imports.¹⁷

This provided start-up cash for drug entrepreneurs. The cocaine industry proved to be more profitable, and the chief method of delivering the drug to the developed world was through "mules," or individuals carrying a small amount. The manner of smuggling changed when Medellín drug dealers decided to go for lower prices and higher volume by using airplanes, having their pilots fly in slowly at low altitude, employing traffic lanes already used by others—for example, oil-rig pilots. This caused a mushrooming of cocaine sales in the United States, which can be shown by the fact that in 1970 U.S. customs seized only a hundred kilos of cocaine, while by 1982 this figure was forty-five metric tons.¹⁸

The emergence of the drug trade must be put into the context of other events in Colombian society. After the 1950s, peasants were being forced off the land. Many of them went to "misery belts" around the major cities; others colonized the more remote parts of the country. In the latter, as Colombian political scientists Luis Javier Orjuela and Cristina Barrera point out,

communities with very weak social cohesion were set up, in locations with only a scant presence of state institutions. Those areas were especially ideal for the flourishing of a parallel economy based on the cultivation and trafficking of cocaine and marijuana. There the drug dealers filled the space left by the state; they constituted for thousands of Colombians a social security system that provided the income through assuring transportation and the prices that no one guaranteed to the [other] small peasant producers.¹⁹

The response of the weak Colombian government to the drug trade was tentative and experimental. The Alfonso López administration (1974–78) reacted by opening a *ventanilla siniestra* (“left-handed” or “sinister” window) in the Banco de la República, at which anyone could exchange dollars for pesos with no questions asked. Other dollars entered the economy through the long-flourishing black market in currency. Many other dollars were simply not brought into the country, but placed in banks and investments in other countries. While at the beginning of the 1970s the dollars that entered through this window were equal to some 20 percent of the legal exports, at the beginning of the following decade they were 48 percent.²⁰

A new economic group, whose importance is hard to estimate, grew up around the illicit drug industry. In December 1981 the Colombian drug industry held a secret national convention, which 223 drug-gang bosses attended, creating a death squad called Muerte a Secuestradores (MAS, Death to Kidnappers). The mafiosi pledged US\$7.5 million to the squad, whose goal was to kill all kidnappers and to end the guerrilla practice of kidnapping people, including the “honest, hard working drug gang bosses,” for ransom to finance their subversive activities.²¹

The drug dealer connection with a paramilitary group is not the only interrelationship among the various actors. The government also had a relationship with some paramilitary groups, at least until the Barco years.²² In addition, guerrilla groups developed relationships with drug dealers, first by protecting their fields and factories, later by “taxing” producers, and then in some cases by entering the drug enterprise directly. Finally, there seems to be little doubt that drug groups have entered into politics, not only in the National Congress but also in the presidency, even before the years of Ernesto Samper.

The drug groups also brought even more violence to Colombia in several ways. The first was the terrorism campaign of dealers in Medellín

who feared extradition. In 1988–90 they carried out a series of bombings in major cities, resulting in many deaths, destruction of property, and a climate of fear. This was important in the approval of the Constitution of 1991 that ended extradition. Secondly, drugs brought more violence as profits were used to buy weapons that were shipped to Colombia. Soon drug dealers, guerrilla groups, and paramilitary squads had more modern weapons than the Colombian military did.

By the beginning of the new millennium drug groups had changed. While the country remained the chief source of cocaine in the world (and an increasingly important supplier of heroin), the challenge to the state that the Medellín group had made during the Pablo Escobar years was no longer a problem. Escobar was killed by government troops in 1993. The other great drug group—the Cali cartel—disappeared during the Samper government when its leaders were captured and imprisoned. Drugs continue to be exported, but by drug dealers with smaller organizations.

Increased Democracy from the Constitution of 1991

By 1990 Colombia had attained the dubious distinction of leading the world in per capita homicides. One report stated that deaths were as high as during La Violencia. Politicians were not immune to the violence, seen most notably in the presidential campaign of 1990, during which three presidential candidates were assassinated. The most prominent was Luis Carlos Galán, candidate of the majority Liberal Party, who was leading in the opinion polls. Yet at no time did the leaders call for a more corporate solution.

Rather, in 1991 a constituent assembly wrote a new constitution to replace the Constitution of 1886. President César Gaviria called for a “participatory democracy” with new rights for the people. This objective was included in the constitution: to open the political system so that the guerrillas would cease their activities. One result was to strengthen the pluralist component of the political system, taking power away from the already ineffectual corporate elements of the system. The presidency was weakened, while the congress was given new powers—both changes away from the strong leadership of the corporate model.

The basic premise of the constituent assembly was that conflict resolution could take place in Colombia if there was more democracy (and a stronger law enforcement system). The reasoning went: violence existed because of frustrations with a closed political system; hence, opening the

system was paramount, even if that meant a weaker government. Clearly it was the guerrilla violence that was being considered in this case, although many assumed that if the *subversivos* disappeared, the paramilitary groups would also.

Members of the constituent assembly argued that six different changes they included in the new constitution would increase democracy in Colombia, and thus offer less reason for violence. The first area in which there would be more democracy was the presidency. For starters, an absolute majority would be required to choose the president. Another “democratic” change was the stipulation of a one-term presidency: under the Constitution of 1991 an individual could not ever be president a second time. In a further change, the *designado* (designate), chosen by the congress for a two-year term, would be replaced by an elected vice president.

The second area of increased democracy would be the congress. If there was one part of the Colombian political system that was “broken” and needed fixing, consensus was that it was the national congress. Members of congress in recent years had seemed more concerned with their individual well-being than that of the nation. Absenteeism was high, in part because members could also be elected to departmental assemblies and town councils; “principal” members left the congress, to be replaced by their “alternates”; foreign trips at the cost of the taxpayers were common; and pork barrel legislation, not for projects but for congressional members to funnel directly to their supporters, was passed each session.

There was broad agreement that, to make the congress a more effective branch of government, four changes were needed in the new constitution. First, the power of the congress would be increased through enabling it to censure ministers. Additionally, the upper house of the congress, the Senate, would have to approve any extension of a state of exception beyond the first ninety days. Third, the congress was given more initiative in the budgetary process than it had before. Finally, to avoid some of the difficulties of previous legislatures, additional controls were placed on the members. To make the congress more professional, members could no longer hold other public posts. Nor would there be alternative members. To raise the ethics of the body, the new constitution banned unjustified foreign trips, nepotism, and, most important, pork barrel legislation. To avoid the continuing problem of absenteeism, the new constitution stated that members of congress who missed six votes in plenary sessions would lose their positions.

The third “democratic” change was in the matter of “states of excep-

tion.” Under the Constitution of 1886, in cases of foreign wars or internal disturbances the president had the right to declare a “state of siege.” There were no length limits on states of siege, and since the 1940s Colombia had been governed more often through them than not. Now they would be replaced by the “state of exception,” which constrained the president much more. Human rights and liberties could not be denied, nor could any branch of government be suspended. As soon as the causes for calling an exceptional state were ended, so must be the exceptional powers. Most important, the president could declare the state of exception for only ninety days during a calendar year, after which it could be extended for another ninety days by a vote of the Senate.²³

Fourth, Colombians would have the opportunity to make more choices through elections than ever before. Constitutional changes included the election of governors, recall votes, an at-large election for the upper house of congress, and a “programmatic vote.” The idea of the programmatic vote was that, should an elected official not comply with the promises made during the campaign, the voters would have the right to recall him or her.

Fifth, to advance the ideal of “peace through more democracy,” opposition rights would be increased. Given the importance in a true democracy of groups being able to criticize the government, the constitution would guarantee access to the means of communication of the state, proportional to the representation won in the legislative body; access to official information with the exception of that prohibited by law; the right to reply to inexact and injurious statements made by high-level officials of the state, in an equivalent form; and equal opportunity for all citizens of access for public posts, without distinction of political affiliation or lack thereof.²⁴

Election Oversight

Finally, to oversee all the new electoral rights, the constitution would establish an independent elections board—an indispensable element for the democratic system—with its own functions and budgetary autonomy.

Another strategy to resolve conflict was to shift more decision making to the regional, departmental, and local levels. Some considered these reforms to be a “mortal blow to the centenary Colombian centralism,”²⁵ but it is clear that this course was desired by the majority of the constituent assembly. It also took away from the possibility of corporatism.

The Colombian State at the Beginning of the New Millennium

More than ten years after the new constitution was promulgated, Colombia continues to be a country in which pluralism is increasingly more pronounced than corporatism. To support that thesis, I shall present information about the activities of the traditional economic interest groups (the *gremios*), the failure of governmental negotiations with the interest groups (called *concertación*), the emergence of new groups, especially NGOs and civil society, and the weakening of several of the key associations because of neoliberal changes.

The Gremios

A few economic interest groups joined the traditional parties as the most powerful forces in Colombia after the beginning of the National Front; it was even suggested that the economic groups were of greater importance than the parties. All economic sectors of the upper- and middle-income groups were organized. But the most powerful seemed to be those "peak" organizations of economic activities, the National Federation of Coffee Growers and a few other producer associations.²⁶

Although there is no overall peak organization of producer associations, the Asociación Nacional de Industriales (ANDI, National Association of Industrialists) approximates one, as it includes not only the large industrialists but also firms from the agribusiness, insurance, financial, and commercial sectors. It is powerful because of its wealth and social prestige, the common overlapping of its membership with that of the government, and the fact that industrialization has been a major goal of almost all Colombian presidents during the last half century. ANDI tends to oppose anything that might negatively affect the private sector, but historically it has supported the government when there is opposition to the basic system of government.

One very special producer association is the Federación Nacional de Cafeteros (FEDECAFE, National Federation of Coffee Growers). This association is open to any person interested in developing the coffee industry, but is dominated by the large coffee growers. The federation collects various taxes on coffee and has used its wealth to invest in banks and shipping. It has a close relationship with the government, given the importance of coffee to economic policy. One big difference between Colombia and other Latin American countries is the degree of privatization of cer-

tain key functions. Nowhere else would a legally private organization be allowed to do what FEDECAFE does; the governments would do it directly.

Other major producer associations come from the upper sector; all seek to maintain the status quo. Some generalizations about their political behavior can be made. Most elements of the private sector have been antimilitary, and some of the organizations were important in the 1957 fall of Rojas Pinilla. Although they might sometimes disagree with the policy of a government, they have supported the political regime, whether it was the National Front or the system since the end of the Front. The associations tend to react to governmental policy, rather than initiating policy. With the growth of the executive branch, the associations have developed strong ties with that branch. This does not mean, however, that they will not use connections within the congress if such is the preferable way to block governmental policy.

With the lack of differentiation of the political parties and their factions, interest articulation and aggregation increasingly have been done by the *gremios*, who have made efforts to be bipartisan, and by the Church and the military. For example, in April 1981 the *gremios*, not for the first time, stated the position of some of them when the Frente Gremial published an analysis of Colombian problems. The Frente—composed of the presidents of ANDI, the Colombian Chamber of Construction (CAMACOL), the Colombian Federation of Metallurgical Industries (FEDEMETAL), the National Federation of Merchants (FENALCO), and the National Association of Financial Institutions (ANIF)—did not limit itself to issues directly affecting the economic activities of the *gremios*. Rather, general issues such as inflation, lack of housing for the poor, and the minimum wage were considered and solutions proposed. In so doing, the Frente was aggregating interests in a way that it is supposed that political parties do.

It is important to point out that the *gremios* act independently of the government and do not constitute a corporate element of the system. The governmental planning structure is headed by the Consejo Nacional de Política Económica y Social (CONPES, National Council of Economic and Social Policy), which was created in 1958 and is the maximum national authority on planning. It serves as an assessor of the government in all aspects of economic and social development. Importantly, all or most all of its members are part of the government. In addition to the ministers

of foreign relations, treasury, agriculture, development, labor, transportation, foreign trade, and culture, governmental members include the director of the National Planning Office, the manager of the Bank of the Republic, the director of Black Community Affairs, and the director of Equity of Women. The only nongovernmental member is the manager of the National Federation of Coffee Growers. This surely is far from a corporate arrangement.

Concertación

In Colombia through the 1980s the structure that came closest to being corporate in nature was that set up at the end of each year to propose an increase in the minimum wage for the following year. This process, called *concertación* or “agreement,” brought together government officials, leaders of organized labor, and the heads of major *gremios*. They agreed on a wage increase, which was then accepted by the government.

By the new millennium this process was not working. In December 2001, although the minister of the treasury decided that members of the government, the workers, and the *gremios* would announce the minimum salary for 2002, the groups were unable to arrive at an agreement (the labor unions wanting more than that proposed). In the end the government had to establish the new salary by decree.²⁷

In the same month *concertación* failed again, this time on a topic considered important by the International Monetary Fund—reform of the retirement system. The idea was to have an agreement of the government, labor, and *gremios* on the bill that was sent to the congress. Since agreement was impossible, the government announced that it would send its own proposal.²⁸

NGOs and Civil Society

Another phenomenon in recent Colombian history has been the appearance of new groups. One set has been those of “civil society,” while the other has been the nongovernmental organizations (NGOs). Civil society groups have proliferated in Colombia during the last decade, but their impact on politics is weaker than in other Latin American countries. Moreover, most Colombian NGOs tend to represent the interests of professionals rather than the huge portion of Colombians who are marginalized socially, economically, and politically.

While before the 1960s NGOs were primarily of a mutual-assistance

nature, in the following twenty years most new ones had to do with assistance to the marginal areas of the country. Today new NGOs search for new models of coordination, participating actively as agents of social change. One study ten years ago documented the existence of 5,436 NGOs in 350 Colombian municipalities.²⁹

One new NGO is the Permanent Assembly of the Civil Society for Peace, which seeks to "strengthen the social movement and the different expressions of citizens' power for peace, with the goal of building a new projection for Colombia." It is democratic, autonomous, inclusive, and pluralistic. Its goals are "the formation and the strengthening of social and personal subjects inside the construction of a national plan in peace and with social justice. The Permanent Assembly of the Civil Society for Peace will work in the constitution and join the organization of a social movement for peace through the generation of national, regional, local, and sectoral processes."³⁰

In May 2001 some 200 people met in Medellín in the third regional meeting of the Assembly, with the purpose of preparing an agenda for a July meeting of more than 2,500 people from 800 NGOs from all over the country. The delegates at the May meeting came from organizations representing Afro-Colombians, environmentalists, union members, affiliates of cooperatives, and others. Discussion centered on fortifying civil society and the peace process.³¹

Economic Change and Checks on the Executive

Finally, two recent happenings show that the already weak pillars of corporatism in Colombian government have been further weakened. The first such diminishing came from the neoliberal world economic order, the second from separation of powers within Colombian democracy.

As the twenty-first century began, two of the most important of the *gremios* faced difficult times. The world coffee market became depressed, with prices as low as US\$0.65 a pound, as new producers (especially Vietnam) offered the product. FEDECAFE faced a crisis. In August 2001 federation manager Jorge Cárdenas stated that the producers needed at least US\$100 million annually for the next three years to support coffee producers, money that the federation did not have. Its capital, which had been US\$1.6 billion during the 1990s, was down to US\$600 million in 2001.³²

Meanwhile the business sector, including enterprises traditionally united

in ANDI and SAC, became split between those concerned with agrarian matters, clearly in decline, and those attuned to the global economy. These two parts of the business elite disagreed not only about taxes and tariffs but also about Pastrana presidency policy concerning the guerrilla groups.³³

The separation of powers of Colombian democracy also detracted from the strong leadership that a corporate-type state needs. In April 2002 the Constitutional Court struck down the Law of National Defense and Security, which the government of President Andrés Pastrana considered the most important mechanism to counter the breakdown of public order. According to the majority of the court, however, the law placed fundamental rights of Colombians in jeopardy, for example, when citizens had to leave an area because of a military order. The court also pointed out that the law gave powers to military officers at the expense of civilian officials. For these reasons and others, the law was found to be unconstitutional.³⁴

Conclusion

Events of recent years show that the Colombian state remains more pluralist than corporate. This is a continuation of the historical pattern. No Colombian government ever attempted to implant a full-scale corporate state. With the exception of the vain Rojas attempt, perhaps the phenomenon that came closest to the corporatist model was in organized labor—the Liberals and the CTC, the Conservatives and the UTC. Before 1953 the party in power determined the fortunes of the two labor federations. But in the years after the National Front, new labor federations appeared and increasingly unions were affiliated with no federation. By the mid-1980s the UTC had just 19 percent of the union membership, while the CTC had 13 percent. The Confederación Sindical de Trabajadores de Colombia (CSTC, Workers' Union Confederation of Colombia) had another 10 percent, while the Confederación General de Trabajo (CGT, General Confederation of Labor) had 5. Smaller federations and unaffiliated unions had more than half the union membership. In addition, union membership as a percentage of the work force was steadily falling.

In an attempt to explain why Colombia is so different from other Latin American countries, one might analyze James Malloy's introductory chapter on corporatism in Latin America.³⁵ This leads to the following conclusions about why Colombia is distant from the "modal pattern":

1. In Colombia populism never took power.
2. Colombia lacked the strong authoritarian period (other than Rojas) often associated with corporatism.
3. The Colombian people were mobilized by the two main political parties without a corporatist interlude.
4. Colombia had alternative structures, for example, in organized labor.

What might have happened if the major populist leader of Colombian history, Jorge Eliécer Gaitán, had reached power is of course counterfactual. But we should remember that he lost the presidential election of 1946 because of a split in the Liberal Party.

In mid-2002 guerrilla forces, according to one estimate, controlled 40 percent of the national territory, while paramilitary groups controlled at least another 10 percent. Alvaro Uribe Vélez had just been elected president, promising a harder line on insurgent groups and negotiations only with groups that had demobilized and surrendered weapons. In the unlikely case that Uribe's government is successful, the resulting Colombia will most likely be more pluralist than corporatist.

Another challenge to the Colombian elite came in February 2003 when the exclusive Club El Nogal in Bogotá was bombed, with more than thirty deaths. This led to calls for a national coalition against terrorism. On March 17, 2003, the Liberal and Conservative Parties, as well as the opposition Polo Democrático and leaders of some interest groups, signed what the Office of the Presidency called a "historical" Agreement against Terrorism and for Life and Liberties.³⁶ The eight agreements were

1. A solid front against any kind of terrorism and in favor of life, personal security, and human rights;
2. Enshrinement of the policy against terrorism as a theme of national unity, outside of the electoral debate and partisan controversy;
3. Opposition to any attempt to make violence legitimate, either directly or indirectly;
4. Rejection of negotiated solutions to violence while terrorist activities continued;
5. An antiterrorism policy characterized by these elements:
 - a) That the totality of the institutions of the state would carry it out; that it would be carried out by professional and efficient public servants;

- b) That collective force would be promised, not only in the coordinated material of people and budget, but also in moral force;
 - c) That the attack would be on three fronts—political-social, judicial, and coercive;
 - d) That international political and judicial assistance would be sought;
6. A commitment to carry out a pedagogic and participative campaign that would translate into active rejection by the citizenry of every act of terrorism and daily support by the people for national unity against that scourge;
 7. Support for a Law of Solidarity with the victims of terrorism and a push for congressional ratification of the Inter-American Convention against Terrorism;
 8. Organization of adequate mechanisms to achieve a joint action by all the signatories against terrorism, based on solidarity, establishing policies of information exchange, coordinated actions, and a search for common positions on all aspects of antiterrorist and defense-of-liberty policy; and, to these ends, the creation of a follow-up committee comprising directors of the parties, movements, and social and political subscribers to this accord.³⁷

Clearly the agreement lacked specificity, at least as of this writing.

Perhaps in time the arrangement will be the foundation of some sort of agreement, possibly even one with corporate features. However, for now it seems reasonable to agree with what Alfonso Gómez Méndez wrote in an *El Tiempo* op-ed piece: "The document can enter into the already long list of declarations without any meaning, repetitive of common clichés, evasive and lacking in content, so frequent in the recent political history of the country."³⁸

Notes

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3. Fabio Zambrano Pantoja, "Contradicciones del sistema político colombiano," *Análisis Conflicto Social y Violencia en Colombia* 50 (1988): 23, emphasis in the original.

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10. *Ibid.*, 213.

11. *Ibid.*, 84.

12. Francisco Leal Buitrago, "Defensa y seguridad nacional en Colombia, 1958–1993," in *Orden mundial y seguridad: Nuevos desafíos para Colombia y América Latina*, ed. Francisco Leal Buitrago and Juan Gabriel Tokatlian, 132 (Bogotá: Tercer Mundo, 1994).

13. John D. Martz, *The Politics of Clientelism: Democracy and the State in Colombia* (New Brunswick, N.J.: Transaction, 1997), skillfully analyzed this system.

14. Eduardo Pizarro, "Revolutionary Guerrilla Groups in Colombia," in *Violence in Colombia: The Contemporary Crisis in Historical Perspective*, ed. Charles Berquist, Ricardo Peñaranda, and Gonzalo Sánchez, 177 (Wilmington, Del.: Scholarly Resources, Inc., 1992).

15. *Ibid.*, 179.

16. *Semana*, May 17, 1988, 26.

17. Bruce Bagley, "Colombia and the War on Drugs," *Foreign Affairs* 67 (1988): 73–74.

18. *Ibid.*, 75–76.

19. Luis Javier Orjuela and Cristina Barrera P., "Narcotráfico y política en la década de los ochenta: Entre la represión y el diálogo," in *Narcotráfico en Colombia: Dimensiones políticas, económicas, jurídicas e internacionales*, ed. Carlos G. Arrieta, Luis J. Orjuela, Eduardo Sarmiento, and Juan G. Tokatlian, 209 (Bogotá: Tercer Mundo, 1989).

20. *Ibid.*, 215.

21. *Latin America Weekly Report*, January 8, 1982.

22. A member of the office of the presidency told me that for the Colombian military a "self-defense group" was one that they had armed, while a "paramilitary group" was one that someone else had armed. Confidential interview, Bogotá, July 21, 1991.

23. *El Espectador*, July 1, 1991.

24. *El Espectador*, July 1, 1991, 89; June 4, 1991, 3.

25. *El Tiempo*, May 16, 1991.
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Corporatism under Attack?

Authoritarianism, Democracy, and Labor in Contemporary Argentina

Linda Chen

Introduction

Recent political upheavals in twenty-first-century Argentina have shaken the longstanding hope that Argentina was well on its way to consolidating its democratic norms and institutions. With its economy in ruins and record levels of citizen dissatisfaction with its government and institutions, Argentina faces an uncertain future, sure to be racked soon by more political dislocation.

This current state of affairs offers an opportunity to assess the recent political history of Argentina from the perspective of how corporatist practices and norms have fared in the country's transitions from authoritarianism to liberal democracy in the past twenty-five years. Of particular interest, given the subject of this volume, is whether corporatism is still operative in Argentina, whether new forms of corporatist practices have emerged, or whether it has withered away completely.

In analyzing corporatist practices in Argentina, the key focus of this chapter is on state-labor relations. Throughout most of the last century, state-labor relations were the dominant political-economic issue facing Argentina. The fundamental tenets of corporatism and its implementation in Argentina were founded on the critical relationship that the state had with a powerful labor union movement. While Argentine society is characterized by corporatist relationships in other areas of social, economic, and political life, it is the state's relationship with organized labor

that provides the benchmark for how corporatism in general is faring in contemporary Argentine politics.

The Corporatist Model

As an alternative paradigm to U.S. liberalism and Marxism-Leninism, corporatism has been promoted as a competing model of development by many analysts.¹ In its simplest meaning, corporatism is defined as “a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.”²

This definition of corporatism describes a means of organizing state-society relations that emphasize a strong degree of control and maintenance by the state of officially recognized interest groups that are often dependent on the state for rights and benefits. It is also a very fluid definition in that it raises questions as to the degree of control exercised by that state and the mechanisms that it utilizes.

The mechanisms that states use to promote corporatist practices include the areas of structure, subsidy, and control. Questions of structure embrace the legal framework under which officially recognized interest groups function. Corporatist structures usually employ laws and informal practices that allow for interests to be organized along functional lines and entitle them to monopoly representation of those interests. Subsidy involves the ways that these corporatist groups are funded. For example, do labor confederations have control over dues collections and other sources of revenue? Control pertains to the degree to which the state oversees an interest group's leadership selection, decision making, finances, and internal governance.³

Of principal concern in analyzing these mechanisms is the question “Who does what, to whom, and how?” Who is benefiting from the corporatist arrangements? What economic and political power is being institutionalized within a set of corporatist practices? It is also important to keep in mind that the state and the interest group are not homogeneous entities. Certain elements within the state may be benefiting more from certain

corporatist practices than others. Likewise, certain sectors of an interest group may benefit or lose depending on the types of practices imposed by the state and the degree of bargaining power that the interest group can exercise.⁴

Corporatist practices therefore are not static and singularly authoritarian. This view is implied in Schmitter's model on the varieties of corporatism, which he labels societal and state corporatism. Societal corporatism exists where the state's legitimacy is primarily dependent on the activity of corporatist groups. Corporatist groups enjoy a great deal of autonomy and are consulted over policy choices. This arrangement is usually found in Europe. State corporatism is the other end of the continuum, where corporatist interest groups are kept dependent on the state and the autonomy of these groups is severely circumscribed. State corporatism is usually found in Latin America.⁵

The view that corporatist practices exist along a continuum opens up the possibility that corporatism can exist under a variety of political systems. For the purposes of this chapter, the question is whether and, if so, to what extent corporatist practices still exist in Argentina today. The key to answering that question is to analyze labor's relations with the state.

Corporatism and Labor

Corporatism and corporatist practices in Latin America are most often applied to the control and management of labor. While other key interests in society are often corporatized, such as business associations, it is the organized labor union movement that has generally defined the parameters of corporatist control in any country.⁶ In Argentina, for example, the incorporation of the labor movement into the political system under the first Peronist administration was a defining moment in that nation's political and economic history. As argued by Collier and Collier in *Shaping the Political Arena*, the particular circumstances in which labor movements were incorporated under various regimes constituted critical junctures in each state's future political development.⁷

Labor is unique in that it represents a class of citizens who are critical to the economic goals of any regime. Workers are the essential component of any economy, and their ability to organize into unions, which in turn can undertake collective action to disrupt economic activity, is a powerful

reminder to the state that this sector of the population requires careful handling.⁸

Because most Latin American states have dependent capitalist economies where foreign capital plays a dominant role, the question of legitimacy is always a concern. Building support within civil society in a context where foreign capital interests and demands frequently dictate subordination to external economic forces as opposed to meeting domestic needs puts states in a situation of always trying to prove their legitimacy in the eyes of their citizens. Often, it is their relationship with the organized labor movement that determines the states' ability to prove their legitimacy in the eyes of their citizens.⁹

At the same time, most Latin American states have a troubled history in building mediating institutions and processes that would enhance legitimacy, such as political parties and regular, free elections. This situation enables the organized labor movement to be a pivotal player in mediating between civil society and the state. State-labor relations, therefore, are a critical arena of political contestation in the state's desire to remain in power and labor's desire to fulfill its demands.¹⁰

Under the corporatist model, labor is by definition subordinated to the goals of the state. However, given its central position in economic policy-making and its unique ability to force economic activity to a halt through collective action, organized labor can exert certain powers not available to other corporatist groups. This makes the question of state-labor relations all the more crucial for evaluating whether corporatist controls have persisted across differing political regimes. To analyze this, I now turn to the case of Argentina.

Peronism and the Incorporation of Labor

Corporatism has a long history in Argentina. Such agencies as the Roman Catholic Church, the military, and the Landowners' Association have traditionally been referred to as "corporate" bodies. In the 1930s, as the country was convulsed in conflict and instability and as corporatism was being established in many European regimes, various corporatist solutions were proposed to solve Argentina's many woes. However, it was not until the 1940s, under the regime of Juan Domingo Perón, that Argentina put in place a full-fledged corporatist regime.

Modern corporatism in Argentina was first established beginning in

the mid-1940s. During this time organized labor was incorporated into the political system under a populist-oriented regime. Organized labor acquired significant economic and political power at the same time that its autonomy became increasingly circumscribed by the state. The Argentine case provides us with a case of modified state corporatism.

The significance of organized labor to Argentina's history cannot be overestimated. As with many countries in Latin America in the 1930s, the aftermath of the Great Depression promoted the development of new policies aimed at lessening economic dependence on commodity exports. In 1940s Argentina, it was clear that the traditional landed elites and their commitment to continued export-led growth were not promoting sustained economic growth. Instead, new policies called for the development of an industrial model that emphasized the domestic manufacture of goods previously imported from overseas. This economic model was called import-substitution industrialization (ISI). Managing labor power was a critical component of this model.¹¹

The ascendancy of Juan Perón in the mid-1940s signaled a transformed role and place for organized labor as Perón sought to build his own power base and to develop his vision of ISI. As head of the Labor Secretariat starting in 1943, Perón implemented rules and regulations that were beneficial to organized labor. In 1945 Perón secured passage of the Law of Professional Associations. This law provided the legal means through which state-labor relations would be organized along corporatist lines. The Law of Professional Associations established a system of government registration for all officially recognized unions. The government now had the power to recognize which unions would constitute the legal representation of workers. The law gave monopoly rights to a single union per industry and it recognized one national labor confederation. This system of formal union recognition controlled by the government conferred on the officially recognized unions the right of collective bargaining, the right to go on strike, and the right to appeal to labor courts in cases of disputes with employers. This law established the idea of *personería jurídica* (legal personhood), without which no union could legally operate or claim to represent any workers.¹²

In addition to securing passage of the Law of Professional Associations, Perón made sure that labor was handsomely rewarded for its support. Using existing social legislation and expanding upon it, Perón saw to it that labor rank-and-file demands for benefits and rights were met. Ben-

efits such as accident insurance and paid holidays were provided. Regulations to improve working conditions were also put in place as labor increasingly played a central role in Perón's rise to power.¹³

Once elected to the presidency, Perón moved to solidify his labor support by continuing to expand organized labor's benefits and rights and access to political power. The General Confederation of Labor (CGT), which was the officially recognized union confederation, was empowered to collect union dues and to control the distribution to workers of *obras sociales*, social welfare benefits such as health insurance. Wages were increased as the economy expanded under ISI policies. In addition, the CGT was given the power to replace leaders of unions if those leaders appeared unwilling to acquiesce to government policies.¹⁴

The newfound power and influence that the labor movement enjoyed did not come without a price to labor's autonomy. To fill positions of power, Perón was adept at handpicking labor unionists who would be loyal to him above all else. In return for access to the presidential palace, labor leaders became dependent on Perón's largesse for staying in power. Unionists who resisted overtures by Perón were systematically purged. By the end of the 1940s, the Argentine labor movement was successfully incorporated into the Peronist regime.¹⁵

Throughout the 1940s, organized labor received benefits and influence, but at the cost of independence and autonomy. The majority of labor leaders at the time, and their rank and file, were willing to allow Perón to structure the organized labor movement as he saw fit. This can be partially explained by the fact that Perón elevated the working classes and the organized labor movement to a position of importance and influence never achieved before in Argentine history. Until Perón came along, workers were considered second-class citizens, not deserving of a voice in the important matters of the nation. Perón changed all that, so that even in today's Argentina, people refer to that era as the golden age of labor power.¹⁶

Perón's policies toward labor can be viewed as inclusive corporatism under a populist regime. While his government sought increasing control over the labor movement, labor's overall fortunes improved as the expansion of the ISI economy enabled the government to shower higher wages and expanded rights on the working class. Labor leaders had a place at the table in the Peronist government, and labor's interests were accorded a high priority. In return, organized labor sacrificed its autonomy to Perón.

Perón, Absent yet Present

In the years following Perón's ouster from power in 1955, successive military and civilian governments sought to eliminate Peronism from the labor movement and Argentina in general. The military in power from 1955 to 1958 outlawed the Peronist Party and systematically purged the union movement of Peronists. The policies of repression only worked to strengthen labor's resolve in support of Perón. For his part, Perón attempted to exert political influence from exile. The short-lived governments of Frondizi (1958–63) and Illia (1963–66) failed to garner much legitimacy from the public as they proved incapable of subordinating labor or co-opting it to their side. Again, Perón from exile played games to exacerbate divisions back in Argentina.

As for the labor movement, these years of repression and exclusion from the political arena gave rise to a class of political leaders who would rival each other for influence and power. Chief among them was Augusto Vandor, head of the powerful Metalworkers' Union. Vandor sought to build a power base independent of Perón, a move that Perón fought vigorously from exile.

The failure of the civilian regimes of Frondizi and Illia was followed by another period of military rule between 1966 and 1969. The regime of General Onganía is viewed as the first attempt to impose bureaucratic-authoritarianism in Argentina. Onganía pursued the usual repressive policies against organized labor. The price he paid was all-out rebellion in the interior city of Córdoba in 1969 by factory workers and their allies, which effectively brought his regime to an end.

After three more years of political instability, Juan Perón finally made his way back to Argentina in 1973, only to frustrate the dreams and hopes of an entire generation of Argentines who had crafted their own myths about the man. His death after just a year in office plunged Argentina into another period of economic and political chaos that eventually led to the military coup of 1976.

Bureaucratic-Authoritarianism and Exclusionary Corporatism

In marked contrast to the era of inclusionary corporatism under the populist regime of Juan Perón, it is instructive to take a look at the labor policies of the bureaucratic-authoritarian regimes of 1976–83. During this era, the military practiced a form of exclusionary corporatism that sought

to atomize the organized labor movement by stripping it of its traditional rights and prerogatives and by marginalizing it from political power. At the same time, the military regime sought to strengthen its control over labor so that corporatist mechanisms remained in place.

With respect to structure, the military dismantled the CGT and moved to decentralize the structure of the labor movement. Unions organized along the enterprise framework were permitted, as were new labor confederations. All trade union activity was banned, including assemblies, conferences, meetings, and elections. Collective bargaining was suspended. Laws that had protected labor rights were annulled. The Ministry of Labor was given the power to intervene in certain unions and to replace their leadership. In addition, unions were stripped of their traditional control over *obras sociales*, and the closed shop system was abolished.¹⁷

Control over the labor movement was carried out in the first few years of the military regime by the use of terror—kidnappings, torture, house arrest, and murder. Labor union leaders were a particular target of the military regime in their quest to depoliticize all aspects of Argentine society. At the same time, the economic policies of the military regime were ruining the livelihoods of most workers and causing massive unemployment.¹⁸ The military adopted an economic program designed to end all vestiges of state control in favor of free market mechanisms. Argentine economics minister José Martínez de Hoz embarked on policies to encourage Argentina's integration into the world economy by courting foreign investment and privatizing state-owned industries. He also called for severe restrictions on labor's ability to negotiate its economic position vis-à-vis the state.¹⁹

The military's plans did not altogether succeed. The dilemma for the military was that while it sought to atomize and fragment the labor movement, it also sought to control it, which in turn required a certain amount of centralization of the movement.²⁰ To that end, the military encouraged some sectors of the organized labor movement, which they sought to co-opt, while meting out repression to others. Opposition by the labor movement complicated the goals of the military regime. As the government intervened in some of the most powerful labor unions and replaced their leadership, smaller unions began to take on active political roles and newer labor leaders emerged to fill the vacuum left by the military's repression of top unionists. These labor leaders served as the major opposi-

tion to the military's antilabor policies and worked toward eventual frustration of the military's efforts to depoliticize labor.²¹

In sum, state-labor relations under bureaucratic-authoritarianism were characterized by exclusionary policies designed to weaken labor's overall political and economic power. The operating principle was to control labor within a corporatist framework where the regime dictated the rules by which labor would be governed. That this project ultimately failed speaks to the fluidity with which corporatist structures can be manipulated or resisted by the interest group in question. It is within this context that democratization would take place.

Democratic Transition and Corporatist Labor Relations

In the aftermath of the failure of bureaucratic-authoritarianism in Argentina, the nation attempted democratization with the open and free elections of 1983. The two major traditional political parties reemerged on the political scene, and it was widely predicted that the Peronist Party would win over its longtime rival, the Radical Civic Union. Organized labor backed the Peronist Party. The surprise victory by Raúl Alfonsín, the candidate of the Radicals, meant that the Peronists had lost for the first time in an honest election. However, their political power was still considerable in the congress, and they would play the part of the loyal opposition with enthusiasm and success. Among organized labor, many of the traditional old-line labor leaders ousted by the military regained their former positions as heads of their unions.

Organized labor greeted the election of Alfonsín with wariness. After years of military repression, organized labor hoped that the new democratic government would normalize labor relations by annulling the military's repressive labor policies and resurrecting the structures and prerogatives of the labor movement prior to the military coup of 1976. However, it became clear very quickly that the Alfonsín government had its own agenda for labor and that its goals would clash with the interests of the majority of organized labor.²²

The Alfonsín administration viewed the organized labor movement as profoundly undemocratic in its orientation. The labor leaders had been entrenched in power for too many years, and they ran their unions more for their own personal gain than for the benefit of the rank and file. There existed no systematic way to force accountability on the part of the union

leadership. Elections for leaders were erratic, unions enjoyed monopoly representation over sectors of workers, and the vast funds related to *obras sociales* were rarely subject to independent accounting oversight. Of particular concern was the continued identification of the organized labor movement with Peronism and the Peronist Party.²³

A stated goal of the Alfonsín administration was to promote greater internal democracy within the organized labor movement. This meant breaking the monopoly power of the entrenched union leaders and promoting political allegiances other than Peronism within the labor movement. The democratization would take place within a framework of corporatism. In this case, the Alfonsín administration stated a commitment to an inclusionary form of corporatism for labor, but only after it had democratized itself.²⁴

Alfonsín's attempt at promoting internal democratization of the organized labor movement naturally met with strong resistance on the part of the labor leadership. It viewed Alfonsín and the Radicals with great suspicion, and it used its alliances within the Peronist Party to obstruct most of the reforms introduced by the Radicals. Among the first was the Law of Union Restructuring. This proposed legislation called for competitive elections for union leaders to replace the existing practice of irregular elections that enabled candidates to run unopposed for years. It also called for union boards to guarantee seats to minority (non-Peronist) interests so as to break the Peronist monopoly over the control of unions.²⁵

The response from the organized labor leadership was overwhelmingly negative, and it rallied its supporters within the Senate to defeat the bill. This opening salvo in the struggles over labor reform clearly put labor on a collision course with the new administration. A proposed new Law of Professional Associations was also defeated in the congress that same year. Instead, in 1988 the Peronist-dominated congress succeeded in passing another Law of Professional Associations, with terms much more favorable to organized labor's interests.²⁶

The Law of Professional Associations of 1988 reaffirmed the hierarchical structure of the labor movement overseen by a single confederation, the CGT. It allowed for autonomous collective bargaining by public sector employees, and it extended wage agreements to all employers. It also codified autonomous collective bargaining at the industry level rather than at the level of the firm. All of these measures served to strengthen the powers of the labor leadership.²⁷

Organized labor was also successful at preventing a more restrictive strike law from being enacted. The Radicals wanted stricter rules on what types of strikes could be called and under what conditions. Organized labor saw this as an attempt to do away altogether with one of its most powerful political rights. Indeed, labor's discontent with Alfonsín was clearly demonstrated by the thirteen general strikes called during his six-year administration. In the struggle between labor and the state, labor was proving to be a formidable opponent.²⁸

A final attempt by the Alfonsín administration to gain labor's cooperation was the concertation effort undertaken to involve key interest groups in economic decision making. Concertation called for tripartite negotiations among organized labor, business interests, and the relevant government ministries over broad economic issues. By facilitating a dialogue between the traditional corporatist groups of labor and business, Alfonsín hoped to gain support for his economic policies.²⁹ Again, the model for concertation looked very much like an inclusionary form of corporatism. However, this too failed as Alfonsín proved unable to ameliorate Argentina's growing economic crisis and the nation spiraled into economic chaos.

With his troubles in getting labor legislation passed in a congress dominated by Peronists, Alfonsín sought to use divisions within the labor movement to his political advantage. As we have said, labor leaders in Argentina were legendary for seeking more to enhance their own political power than to represent their rank and file. Throughout the Alfonsín era, organized labor was factionalized among a number of labor leaders jockeying for political advantage vis-à-vis the government. When one faction of the labor movement acted against Alfonsín, he sought the support of another faction. Unfortunately, Alfonsín did not succeed in using this game of divide-and-conquer to win the long-term support of any faction of the labor movement. It instead led to the rise to power of the much more orthodox, nondemocratic wing of the labor movement.³⁰

An overview of state-labor relations under the democratizing regime of Alfonsín demonstrates that the basic framework for the relationship between the state and labor was corporatist. All the attempts at labor reform were directed by the state to restructure and reconstitute a more open and democratic labor movement. While some of the goals were clearly anticorporatist, such as limiting the monopoly representation of the CGT and negotiating labor contracts at the firm level, others were clearly

within the corporatist framework, such as limiting the right to strike and imposing an internal restructuring of labor organization. That the major source of resistance came from the organized labor movement itself speaks to the extent to which corporatist structures benefit a certain group of labor leaders. This fact poses interesting possibilities for corporatism as the interest group involved seeks to maintain traditional arrangements as a means of maintaining its power.

Labor under Menem

The election of Carlos Menem to the presidency in 1989 under the banner of the Peronist Party created the possibility that organized labor would once again enjoy a privileged role in policymaking. But the Argentina of 1989 was a very different place from the Argentina of 1946 when Juan Perón was first elected to office. Principal among the differences was the state of the economy. Import substitution had long since outlived its usefulness, and the Argentine economy was struggling to adjust itself to the export-oriented growth model preferred by international lending agencies. Protectionism was long gone as a policy to subsidize domestic industry, and the rhetoric of free markets and integration into the world economy became the rallying cry of the new Peronist administration. To solve Argentina's economic troubles, Menem embarked on a bold program to privatize public enterprises, to deregulate all areas of the economy, to liberalize trade, and eventually to promote one-on-one parity of the peso with the dollar.

Another characteristic of 1989 was the erosion of labor power and influence. Throughout the 1980s the structure of the unionized labor force had been changing. A once dominant blue-collar, manufacturing labor base was increasingly giving way to a predominantly white-collar, service sector labor force. At the same time, the labor movement was becoming more heterogeneous as public sector unions began to compete with private sector unions over control of the labor movement.³¹ Economic crises would also cause unemployment levels to rise, further weakening the ranks of organized labor.

Menem's stated commitment to promoting neoliberal reforms had a significant impact on the labor movement. To promote his program of privatizing state-owned industries, Menem decreed the Reform of the State Law and the Law of Economic Emergency. These laws called for

privatization of the telephone and airlines industries, quickly followed by oil, gas, and electricity. The result was massive layoffs among public sector employees. In addition, Menem instituted policies that deregulated many sectors of the economy, cut subsidies to inefficient state services, and created parity of the peso with the dollar. The latter policy, called the "convertibility plan," caused overvaluation of the peso, making Argentine-produced goods no longer competitive with cheaper imported goods. The result was further unemployment in the manufacturing sectors. At the same time, the availability of cheaper capital-goods imports encouraged those industries that survived to substitute mechanical for human labor, again exacerbating unemployment woes.³²

Since the resulting contraction of the labor force took place primarily among unionized workers, the organized labor movement saw its power and influence diminish. As economic restructuring took its toll on organized labor, Menem also sought to directly attack the very foundations of organized labor's power. In 1991 he decreed a law that enabled employers to more easily hire workers on temporary contracts with reduced or no benefits. Other important aspects of the law included incentives for employers and employees to legally recognize under-the-counter work. Temporary contract workers are usually difficult to organize.³³

Menem sought to limit labor's right to strike by prohibiting strikes in essential public services, defined by the government as including health care, waste disposal, education, transportation, communications, and production or delivery of resources for utilities. Failing to get this legislation passed in the congress, Menem imposed it by decree in 1990.³⁴

Another area where Menem attacked labor was in the decentralization of collective bargaining. Negotiation of labor contracts at the industry level had been the norm in Argentina since the 1940s, but in a megadecree signed in 1991, a provision allowed for the negotiation of contracts at the branch or firm level. The immediate impact of this provision was that most of the six hundred collective agreements signed in 1992 and 1993 were concluded at the branch or firm level. This definitely made the power of national union organizations less relevant.³⁵

The megadecree of 1991 also called for reducing labor union control over the collection and use of *obras sociales* funds. These funds had traditionally been collected from employers and employees to support a whole range of social welfare services for union members, including health care, legal services, life insurance, and tourism. The majority of *obras sociales*

were under the control of the unions, which were ostensibly in charge of distributing these funds to their rank and file. However, it was a longtime practice that union leaders used some of these funds for their own personal enrichment as well as to support various political causes and candidates. According to James McGuire, it was from *obras sociales* that union leaders garnered most of their funds, not from union dues. Clearly, control over *obras sociales* was a basic aspect of organized labor's power.³⁶

Under Menem's megadecree of 1991, *obras sociales* funds were to be collected by a tax board rather than by the individual *obra social*. In megadecrees of 1993, beneficiaries of funds were given the right to choose freely among the funds, and mandatory employer contributions to these funds were reduced. *Obras sociales* were also allowed to associate or merge at will.³⁷ After several years of resistance by organized labor to these reforms, most were passed into law.

In addition, Menem sought to regulate labor's earning power by seeking legislation to limit severance pay and overtime. He also sought to link wage hikes to productivity gains, thereby ending the long association of Peronism with populist economic policymaking.³⁸

Labor's Response

It is clear from this discussion of Menem's labor reforms that the critical foundations of labor power were attacked in a much more substantive way than had ever been attempted under the Alfonsín government. However, rather than unifying the organized labor movement, union leaders offered a range of responses to Menem's policies. Some were staunchly loyal to Menem, others were more reserved in their acquiescence to his policies, some were confrontational, and others switched back and forth depending on what they viewed as most advantageous to themselves and their unions.³⁹ The diversity of responses by organized labor reflected several decades of factionalism among labor union leaders who ultimately acted on the basis of what Edward Epstein calls "power maximizing" behavior.⁴⁰ It also reflected the tactics of various governments, both military and civilian, of courting certain elements of organized labor while marginalizing others who were unwilling to cooperate.

The political and economic context of the 1990s made it difficult for organized labor to mount any significant resistance to Menem's labor reforms. For one thing, Menem was a Peronist, and as a Peronist he enjoyed

what James McGuire refers to as the “Nixon in China” syndrome. Many union leaders were willing to give Menem the benefit of the doubt, hoping that eventually his policies would redound to their advantage personally or to their unions. Another factor that influenced labor’s response was the fact that in the early years of Menem’s government, his policies were generating improvements in the economy and therefore a modicum of stability for the workers. The commitments to privatization and streamlining inefficient public services were viewed by many rank-and-file workers as positive and necessary steps toward solving Argentina’s economic troubles. Recent memories of the periods of hyperinflation in the late 1980s also added to labor’s willingness to allow Menem’s reforms to move forward. The initial positive results of the convertibility plan in the early 1990s tempered much of organized labor’s will to resist the labor reforms of Menem’s government.⁴¹

To be sure, the far-ranging nature of Menem’s labor reforms did engender resistance from a broad range of labor unions, and several general strikes were called. However, most of these strikes were over specific issues such as control over *obras sociales*, and they did not necessarily gain the support of all of organized labor. In addition, resistance to Menem’s policies took place in the congress, as union leaders used their ties with Peronist legislators to signal their displeasure at certain aspects of Menem’s economic policies.⁴²

On balance, though, the fortunes of the organized labor movement were severely eroded by the labor reforms of the Menem government. Organized labor no longer served as a critical player in economic policy-making, and its periodic shows of force, such as calling general strikes, became sporadic and rather ineffectual at halting the decline of union influence and power over time. By the end of Menem’s administration in 1999, labor union membership amounted to only 35 percent of the labor force. This was a 50 percent decline from labor union membership in the early 1980s.⁴³

Labor and the de la Rúa Government

The de la Rúa government lasted only two years. Propelled to power by a downturn in Argentina’s economy that began in the mid-1990s, the de la Rúa government was incapable of finding solutions to Argentina’s worsening external debt and monetary woes. Ten years of reliance on the con-

vertibility plan resulted in an overvalued currency, declining competitiveness of Argentine products vis-à-vis cheaper imports, and the bankruptcy of provincial governments. The stagnation of the economy accompanied by the highest rates of unemployment in Argentina's history created the conditions for de la Rúa's resignation from the presidency after only two years in office.⁴⁴

In his two years, de la Rúa pursued policies toward labor that were similar to his predecessor's. Soon after taking office, de la Rúa introduced a set of labor reforms to the congress to attain greater "flexibility" in labor markets. He proposed legislation that would continue the pattern of collective bargaining at the company level as opposed to the national union level. He also sought to end legislation in force since 1975 that automatically renewed collective bargaining agreements. And he sought to expand the length of a new employee's probationary period on the job from 30 to 180 days and even up to a year. This extension of the probationary period would enable employers to hire workers without benefits and to fire them without severance pay. In addition, de la Rúa initiated a decree that further deregulated the *obras sociales* funds that had traditionally been so central to organized labor's power. Starting in 2001, workers were given the right to choose freely between *obras sociales* and private providers. This was designed to improve the delivery of services to workers, particularly in the area of health care. And in a continuing attempt to cut public spending, de la Rúa cut salaries of public sector workers.⁴⁵

None of these reforms did anything to ameliorate the growing economic crisis that overtook de la Rúa's government in what would be his last six months in office. The appointment of Domingo Cavallo, the architect of the convertibility plan, as his economics minister in early 2001 was seen as a desperate move to bring the economic situation under control. Pleas to the International Monetary Fund for new loans fell on deaf ears. By the end of 2001, there was a strong likelihood that Argentina would default on its \$132 billion debt. Meanwhile, unemployment had reached unprecedented high levels, hovering around 20 percent.⁴⁶

The crisis reached a climax in December 2001, as the de la Rúa government seemed to run out of options for dealing with the country's economic problems. A move to limit the amount of money that people could withdraw from their banks was not popular and led to rising public unrest. Negotiations with the IMF remained stalled and Argentina was running out of money. De la Rúa sought to form a coalition government with

the rival Peronist Party, which had won the congressional elections of October, but it declined to participate. De la Rúa's only recourse was to actually exit the presidency. In a scene reminiscent of when Isabel Perón was removed from office in 1976, de la Rúa left the Casa Rosada in a helicopter and the country plunged into political crisis.⁴⁷

Throughout this period, the organized labor movement sought ways to obstruct the labor reforms proposed by de la Rúa and acted to signal its dissatisfaction with his economic policies overall. Several general strikes were called in de la Rúa's first year, but these strikes failed to win universal support from workers and were in the main dismissed by the general public and all the major political parties. All factions of the labor movement grew increasingly disenchanted with the de la Rúa government, and organized labor, like everyone else in the nation, welcomed his resignation from the presidency.

Corporatism, Democracy, and Labor in Argentina

It is clear from the above discussion of labor under democracy that corporatist practices and institutions have declined. Political scientist Frances Hagopian has argued that the "century of corporatism" is collapsing all over Latin America.⁴⁸ In Argentina, democratic regimes have implemented policies to democratize labor unions so that multiple unions can exist within one activity or region. Collective bargaining has been decentralized so that contract negotiations between a firm and its workers are now the norm rather than national unionwide negotiations. Successive laws have been implemented to allow flexibility in the hiring and firing of workers and to eliminate many types of worker benefits to these "flexibilized" workers. The right to strike has been limited, and the control of *obras sociales* has eroded significantly among labor unions. In sum, democratic regimes have made strides in attacking the structure, subsidy, and control of organized labor so that it has become a much less significant force in politics than at any other time in Argentina's modern history.

Yet, for all the myriad ways in which the corporatist labor system has eroded, it would be premature to sound the death knell of this system once and for all. In light of the current economic crisis, it is clear that the state will continue to play a definitive role in economic policymaking for years to come. One aspect of that economic policymaking will continue to be managing labor, especially in the public sector. Another consideration is

the continued domination of organized labor by a central confederation, the CGT. Although there now exist rival labor organizations and the CGT has been riven with factions for decades, it still enjoys a role in representing labor's interests vis-à-vis the state. Recall that during the Alfonsín administration there was an attempt at creating a tripartite pact whereby organized labor, business, and the government would negotiate economic policy. This "concertation" attempt ultimately failed, but it offers a potential model for how corporatist practices could exist within the parameters of a democratic regime.

Still another consideration is the fact that Argentine democracy has been in crisis since the resignation of de la Rúa in December 2001, only two years into his term. It would appear that support for the much vaunted neoliberal policies may be giving way to a more critical evaluation of whether freeing up markets (including labor) and seeking global integration are all that they're cracked up to be. Perhaps it is time to end the oft romantic thinking that privatization and free markets work for all nations and to devise other alternatives for handling Argentina's economic challenges. With the nation in a period of profound economic crisis and with all the analysts predicting the situation will get worse before it gets better, it may be time to rethink the role of the state in managing the economy. As a statist, protectionist, modified import-substitution model at some levels of the economy may be reintroduced, corporatist controls on labor are also likely to be resurrected.

This economic crisis also brings into question the stability of Argentina's political system. Despite its history of praetorian intervention, many observers of the Argentine scene believed that, starting with the elections of 1983, Argentina had finally turned a corner and was leaving behind its reliance on the military. Of course, the path of Argentine democracy has not been smooth. Presidential power, especially under Menem, was wielded almost dictatorially, as he issued numerous decrees, bypassed the congress, ignored his political party, and apparently allowed rampant corruption in his administration. Political parties have been dominated by personalities rather than issues and politicians have been known to change their views at the slightest whim.⁴⁹ Dissidents have been physically harassed for criticizing the government. And the rules of the democratic game have been rewritten and reinterpreted several times. Menem succeeded in revising the constitution to allow a second term in office, and

there have been some complaints raised as to the manner in which a new president was named to replace de la Rúa.⁵⁰

This chapter has focused on the role of labor unions and the fluctuating corporatist/statist controls over them. However, corporatist relationships appear to persist with other social and political groups as well. Argentine scholar and former government official Jorge Bustamante has written in his book *La Argentina Corporativa* that many interests in Argentina are locked into what he characterizes as corporative, dependent, clientelistic relationships with the state. Among these interests are the business sectors, the military, the Catholic Church, agricultural interests, intellectuals, the media, and the middle classes. According to Bustamante, these corporatist relationships have bred corruption as each group seeks its own gain at the expense of the others. In return for having their demands met by the state, each group tacitly enters into a kind of "corporatist social contract" to support the state's legitimacy. In Bustamante's view, this state of affairs is directly responsible for the corruption and paralysis of Argentine politics. At the end of 2001, this system broke down completely.⁵¹

Of particular concern is the lack of legitimacy accorded by the population to democratic institutions. Recent polls indicate that Argentine citizens have little faith in their politicians and things political. This includes the labor movement leadership, which for some years has been viewed as self-serving and corrupt and out of touch with the rank and file.⁵² If this disaffection grows, as it surely will, Argentina could find itself back on a slippery slide to some form of authoritarian alternative. It is therefore more critical than ever to devise new ways of building mediating structures between the state and its citizens. Unionized workers who make up 35 percent of the labor force continue to be in dire need of representative bodies to speak to their interests. Perhaps revisiting the democratic possibilities of a reformed corporatism would be one place to start.

Notes

1. Among the many classic and contemporary works on corporatism are: David Collier, "Trajectory of a Concept: 'Corporatism' in the Study of Latin American Politics," in *Latin America in Comparative Perspective*, ed. Peter H. Smith, 135-62 (Boulder: Westview Press, 1995); James M. Malloy, ed., *Authoritarianism and Corporatism in Latin America* (Pittsburgh: University of Pittsburgh Press, 1977); Philippe C. Schmitter, "Still the Century of Corporatism?" in *The New Corporat-*

ism, ed. Frederick B. Pike and Thomas Stritch, 85–131 (Notre Dame, Ind.: University of Notre Dame Press, 1974); Howard J. Wiarda, *Corporatism and Comparative Politics: The Other Great "Isim"* (Armonk, N.Y.: M. E. Sharpe, 1997).

2. Schmitter, "Still the Century of Corporatism?" 93–94.

3. Collier, "Trajectory of a Concept," 137–38; David Collier and Ruth Berins Collier, "Who Does What, to Whom, and How: Toward a Comparative Analysis of Latin American Corporatism," in Malloy, *Authoritarianism and Corporatism*, 492–93.

4. Collier and Collier, "Who Does What," 497–500.

5. *Ibid.*, 497–98.

6. Collier, "Trajectory of a Concept," 139.

7. Ruth Berins Collier and David Collier, *Shaping the Political Arena: Critical Junctures, the Labor Movement, and Regime Dynamics in Latin America* (Princeton: Princeton University Press, 1991).

8. *Ibid.*, 41.

9. *Ibid.*, 42.

10. *Ibid.*, 42–43.

11. *Ibid.*, 332–33.

12. Linda Chen, "Labor Unions and Regime Transition in Argentina" (Ph.D. diss., University of Massachusetts, Amherst, 1988), 110; James W. McGuire, *Peronism Without Perón: Unions, Parties, and Democracy in Argentina* (Stanford: Stanford University Press, 1997), 56–58.

13. Collier and Collier, *Shaping the Political Arena*, 341; McGuire, *Peronism Without Perón*, 53.

14. McGuire, 50–59.

15. *Ibid.*

16. *Ibid.*; Collier and Collier, *Shaping the Political Arena*, 338.

17. Paul W. Drake, *Labor Movements and Dictatorships: The Southern Cone in Comparative Perspective* (Baltimore: Johns Hopkins University Press, 1996), 162.

18. *Ibid.*, 161–62.

19. Chen, "Labor Unions and Regime Transition," 154.

20. *Ibid.*

21. *Ibid.*, chap. 5.

22. Paul G. Buchanan, *State, Labor, Capital: Democratizing Class Relations in the Southern Cone* (Pittsburgh: University of Pittsburgh Press, 1995), 126–54.

23. *Ibid.*, 134–37.

24. *Ibid.*, 135–36.

25. Linda Chen, "State-Labor Relations in Democratizing Argentina," *Business and the Contemporary World* 6, no. 4 (1994): 120.

26. McGuire, *Peronism Without Perón*, 191–92.

27. Buchanan, *State, Labor, Capital*, 138.

28. *Ibid.*, 139–40.

29. Ibid., 143-46.
30. Among the many studies of the factionalism within the labor movement during the Alfonsín era are: Edward C. Epstein, "Labor-State Conflict in the New Argentine Democracy: Parties, Union Factions, and Power Maximizing," in *The New Argentine Democracy: The Search for a Successful Formula* (Westport, Conn: Praeger, 1992); Buchanan, op. cit.; McGuire, op. cit.
31. Peter Ranis, *Argentine Workers: Peronism and Contemporary Class Consciousness* (Pittsburgh: University of Pittsburgh Press, 1992), 52-54.
32. McGuire, *Peronism Without Perón*, 220-21.
33. Ibid., 224.
34. Ibid., 224.
35. Ibid., 224-25.
36. Ibid., 225.
37. Ibid., 226.
38. Ibid., 232.
39. Ibid., 233-34.
40. Epstein, "Labor-State Conflict."
41. McGuire, *Peronism Without Perón*, 234-37.
42. Ibid.
43. *Latin American Weekly Report*, February 29, 2000, 99.
44. Clifford Krause, "Argentine Leader, Facing Protests, Resigns," *New York Times*, December 21, 2001, 1.
45. *Latin American Weekly Report*, February 8, May 30, and June 6, 2000.
46. Clifford Krause, "Pat Economic Cures Are Now Fuel for a Crisis," *New York Times*, December 21, 2001, A8.
47. Various articles from *Clarín*, December 21-24, 2001.
48. Frances Hagopian, "Democracy and Political Representation in Latin America in the 1990s: Pause, Reorganization, or Decline?" In *Fault Lines of Democracy in Post-Transition Latin America*, ed. Felipe Agüero and Jeffrey Stark (Miami: North-South Center Press of the University of Miami, 1998), 109.
49. The "irregularities" of the Menem administration are widely chronicled in the major Argentine newspapers, as well as in McGuire.
50. Clifford Krause, "Argentine Leader Declares Default on Billions in Debt," *New York Times*, December 24, 2001, 1.
51. Jorge E. Bustamante, *La República Corporativa* (Buenos Aires: EMECE, 1988).
52. Ibid.; *Latin American Weekly Report*, June 13, 2000, 266.

Another Century of Corporatism?

Continuity and Change in Brazil's Corporatist Structures

Timothy J. Power and Mahrukh Doctor

In October 2002, the Brazilian presidential election that confirmed the victory of Luiz Inácio Lula da Silva generated great international interest and was the subject of headlines around the world. Lula is the first leftist to hold power in Latin America's largest nation since 1964, and the full implications of his victory are still unclear. Yet many anticipate that Lula's assumption of the presidency signals not only a shift in political style and economic and social policy objectives but also an adjustment in state-civil society relations and the institutional framework within which policy is made. One issue of particular interest to political, economic, and social actors in Brazil is whether Lula, a leader of the union movement under military rule (1964-85) and during the transition to democracy, will seek to alter the corporatist institutional structure—especially with respect to union organization, capital-labor relations, and collective bargaining—in response to demands from business and society. The analysis in this chapter suggests that these reforms are more complex than simply putting forward a change in legislation, and the outcome of these shifts and adjustments is extremely uncertain. The identity of the president, in this case Lula, is only one of many variables in a complex equation.

Throughout the chapter we develop three arguments about contemporary Brazilian corporatism. First, corporatism should not be mistaken for a regime type, nor should it be seen as having an automatic affinity to any regime type (it has survived under both democratic and authoritarian regimes). In fact, recent *political* change has not been as important as recent *economic* change in Brazil in stimulating attempts to dismantle the corpo-

ratist legacy. In other words, the transition to democracy in the 1980s has proved less central than the economic reforms of the 1990s on this score. Second, although there are strong structural pressures building against corporatist institutions, the corporatist legacy has demonstrated remarkable resistance to change. Vested interests, especially those that developed between state actors and the private sector, have used the ongoing availability of corporatist institutions to torpedo attempts at any reform of the same. The "stickiness" of corporatism provides strong support for historical-institutionalist and path-dependent arguments such as those of Collier and Collier (1991), who argue that "critical junctures," such as the Vargasist seizure of power during the Great Depression, lock into place enduring institutional frameworks that "shape the political arena." Whether the current era of market-oriented reforms will also prove to be such a critical juncture is still open to question. Third, Brazilian reformers must deal with a daunting array of conjunctural problems even as they deal with the ongoing interaction between structural pressures for and against corporatism. The challenges of economic management and political coalition building often create pressures to appease corporatist interests in the name of meeting short-term goals, thus jeopardizing a longer-term vision for the evolution of corporatism. Our analysis demonstrates why—even given the extensive recent changes in the Brazilian polity and economy—corporatism is likely to persist well into the future, albeit in a modified form.

This chapter is divided into five major sections. In the first, we revisit conceptual and definitional issues connected to corporatism, and review the configuration of Brazilian corporatism at its zenith. Corporatism was introduced in the Vargas period (1930–45), flourished in the democratic regime of 1946–64, and was maintained throughout the military-authoritarian regime of 1964–85. Following Weyland (1996), we view the early 1970s as roughly the high point of state autonomy and corporatism in Brazil, a period that corresponds rather conveniently with some of the seminal writings on corporatism (e.g., Schmitter 1971, Wiarda 1973) that this volume seeks to reevaluate. Reviewing both the political situation and the conceptual analyses dating from this period provides us with a "baseline" from which we can evaluate change in corporatist structures and institutions.

In our second section, we examine the process of regime change that began in 1974 and continued well into the post-1985 democracy. Political

liberalization after 1974, and especially democratization after 1985, was associated with some efforts to “flexibilize” the corporatist structures associated with the Vargas legacy. However, as we will demonstrate, these efforts were fragmentary, uneven, and met with mixed success. Precisely for this reason, our third and fourth sections examine factors both inimical and conducive to the inertial maintenance of corporatism. To what extent do political and economic changes exert pressure on corporatism? A comparison of these countervailing tendencies illustrates how and why Brazilian corporatism has both affected democracy and in turn been affected by it. A final section presents our conclusions.

Corporatism Revisited

When President Getúlio Vargas introduced corporatism in the early days of the Brazilian industrialization process, it displaced the old rural oligarchy and replaced it with institutions that gave voice to the emerging industrial elite and incorporated the expanding urban working class. Vargas believed that capitalist modernization through import-substituting industrialization (ISI) was best served by corporatist structures of state-society relations, which implied the integration of workers and industrialists into vertical, hierarchical, and centralized structures, where conflicts of interest were channeled directly to the state and not mediated by alternate mechanisms, such as political parties. According to Schmitter’s classic definition,

Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports (1979: 13).

Here corporatism is a mechanism of interest intermediation defined and describes the nature of interaction between state and societal groups in the policymaking process. In a further refinement of the concept, Collier and Collier (1977: 493) emphasized the state’s use of mechanisms related to *structuring*, *subsidy*, and *control* in regulating state-group relations, with corporatist structures and subsidies applying to business and labor, but

with corporatist controls more likely to be administered to the working class. Kenneth Mericle's analysis of labor politics in Brazil provided support for this generalization. Mericle noted the "natural affinity" between corporatism and authoritarianism and the tendency for political competition to undermine corporatist controls, especially over labor, but acknowledged that corporatism functioned successfully under both authoritarian and democratic regimes in Brazil (1977: 332)—a finding that we discuss in a subsequent section.

Note that the above definitions refer implicitly to the *state corporatist* structures and institutions typically found in Brazil. The distinction between state and societal corporatism (Schmitter 1974, Katzenstein 1985) is based on the degree of state intervention in and control over societal groups, with the former type exhibiting a higher degree of state control and the latter based on a process of tripartite negotiation. Traditionally, analysts have evinced a normative preference for the latter as an instrument for consolidating democracy and improving democratic governance (Durand and Silva 1998: 35) and have likewise expressed concern about the potential for democratic sustainability in a context of state corporatism.

Although there is general agreement that classic Brazilian corporatism leaned heavily toward the state end of the corporatist spectrum, how did it work in practice? Since the state had considerable discretion in the way it could use corporatist institutions during the authoritarian periods, it would use them to repress and control social groups; but in democratic periods, politicians could use corporatist institutions to mobilize electoral support and co-opt groups to shape the policy consensus. What, then, was the impact on business and urban labor?¹ Following the literature cited above, we draw attention to the differential effects of corporatist structures on these two crucial actors.

In the Vargas era, corporatist institutions signaled a redistribution of power and established a system of regular consultation between the state and the business community on a sectoral basis. This yielded a new system of economic policymaking, which Schmitter famously described as polycentric, uncoordinated, competitive (interagency), lengthy, inchoate, dispersed, and sometimes contradictory (1971: 255). The principal targets of business associations' strategies were (1) the executive-bureaucratic category and (2) the regulatory stage of policymaking, with very little attention given to developing the public dimensions of sector-specific demands.

Thus, business used corporate rather than political influence via structures such as “bureaucratic rings.”² Here, business focused on winning individually granted privileges and subsidies, while the state maintained the upper hand in policymaking. “What association leaders sought,” as Schmitter wrote, “was not maximum autonomy with respect to authority groups, but maximum penetration of them—not the creation of competing alternatives, but exclusive channels of representation” (1971: 239).

For business, this framework offered more restraints than sanctions. As industrialization advanced—under the authoritarian Estado Novo, in the democratic period after the Second World War, and under the military regime in 1964–85—the business elite went beyond its focus on state protection of industry and called for the integration of the domestic market, increased credit, and a stronger economy (Diniz 1991). Taking advantage of the opportunities offered by corporatism and accommodating their actions to the restrictions on formation of an encompassing peak association, businesses focused on particularistic access, maximization of unilateral advantages at the sectoral or firm level, and short-term perspectives. The bureaucracy played a central role in providing a channel of communication and interpretation, demonstrating its willingness to mediate between business and policymakers. These trends weakened business coherence and unity, leading to the fragmentation of interest representation. However, business fortified its structural capacity via a dual framework of interest representation, wherein voluntary and independently funded associations functioned in a pluralist mode, thus complementing business’s corporatist representation (Diniz and Boschi 1991: 16).

The state’s relationship with organized labor was clearly more authoritarian and rigid. Since 1943 it has been based on the Consolidated Labor Code, or CLT. This document, representing Vargas’s decision to collect and consolidate existing corporatist legislation into a single statutory framework, regulates state-employer-employee relations in Brazil to this day. Its four most important provisions relate to (1) a strict definition of the representational hierarchy and the exclusive right of the registered union to represent its category, also known as *unicidade sindical*; (2) the *imposto sindical* (union tax) awarded to the single recognized *sindicato* (union) representing a single occupational category in a defined geographical area (this is the heart of the system, because it assures the *sindicato* leader’s loyalty to the government due to his exclusive access to the proceeds of the union tax); (3) a prohibition against forming shop-

floor unions as well as peak associations; and (4) an elaborate structure of labor courts and a ministry devoted to enforcing corporatist legislation. Parallel structures were developed for employers and employees, but the flexibility of interpretation allowed to employers' associations contrasted with the tight control over union organization and led to business developing its structure of voluntary associations operating alongside official ones. The Ministry of Labor was used in a paternalistic and authoritarian fashion to govern state-labor and business-labor relations and to ensure compliance with the CLT, with the help of the newly created labor courts. The above provisions of the CLT ensured the fragmentation, sectoralization, and compartmentalization of Brazilian society.

Brazilian corporatism excluded labor participation in policymaking, disallowed a dual structure that would mirror that of business organizations, and did not generate interclass accords. Since all workers benefited from collective bargaining irrespective of formal affiliation with the union, few bothered to become union members. Typically, union leaders discouraged affiliation, since fewer members meant reduced electoral competition within the union. Moreover, since unions usually provided their members with access to social services—hospitals, schools, and the like—and the union tax was distributed on the basis of total numbers of workers in that category, it was clearly to the union members' and leader's advantage to register a small number as union members. In fact, union affiliation has hovered around 20–22 percent of total salaried workers since 1985.

Although the literature agrees that labor was clearly the junior partner in the corporatist triangle, there are differing interpretations of how labor viewed and experienced corporatism in practice. Some analysts argue that although the corporatist system was "designed to defuse class conflict and promote collaboration between classes" (Cohen 1989: 5), in reality it had differential effects on the classes involved. In this view, workers were indoctrinated into accepting the authoritarian statist ideology embodied in corporatism, even though it was arguably to their disadvantage. Others, such as French (1992), saw labor leaders taking advantage of corporatist structures and institutions, such as the labor courts and the union tax, to strengthen labor's position and profit from the system. Another variant emphasized how unions drew on populist interpretations of the role of the state, in which the state acts as protector (Boito 1991), and in which workers expected benefits from union claims through official channels

such as the labor courts rather than as a result of workers' organization (Barros 1999: 22–24).

Finally, how did corporatism affect political mediation in Brazil? O'Donnell, in his evaluation of corporatism and the bureaucratic-authoritarian state, saw corporatist leaders as subordinated to the interests of the state rather than to those they allegedly “represented” (1977: 79). This distance between leaders and their base of support led to an oligarchization of interest articulation and a highly aggregated representation of interests. In Brazil, the corporatist institutional structure emphasized the key role of the state in orchestrating business input into the policymaking process and sidelining labor participation. The top-down approach to policy formulation and implementation was the very essence of the system. Ironically, this did not necessarily translate itself into a “strong” state but promoted a state that was extremely vulnerable to penetration by business interests—what O'Donnell called “bifrontal” corporatism. In other words, the counterpart of the centralized system of decision making and the overextension of the state was the state's limited capacity to implement its decisions (Diniz 1997). Thus, corporatist institutions developed their own momentum, reinforcing the negative distributional aspects of the institutional structure and ultimately locking political and economic actors into a stagnant growth path.

The Decline of Authoritarianism and the Rise of Democratic Politics

Many of the early works on Brazilian corporatism were implicitly written with authoritarianism in mind, invoking either the Estado Novo (1937–45) or the military regime (1964–85). For example, James Malloy's edited work *Authoritarianism and Corporatism in Latin America*, which the present volume revisits, resulted from a 1974 conference held at the height of consolidation of the military dictatorship in Brazil. Although the title of that classic work may have been responsible for an implicit and ongoing association between the two “isms” cited on the cover, careful readers of the earlier volume know that the analyses contained therein were not deterministic. Even writing at the apex of military authoritarianism, Mericle recognized that corporatism had likewise flourished under the 1946–64 democratic regime (1977: 332), and his backward-looking observation could be understood also as an implicit prediction: a return to democracy after military rule would pose no serious threat to corporatism. This prediction turned out to be prescient.

President Ernesto Geisel (1974–79) initiated the “decompression” of the authoritarian regime in Brazil, soon after the height of authoritarianism and state autonomy had been reached in the early 1970s. The intention of Geisel and his chief strategist, General Golbery do Couto e Silva, was not to turn over power to the democratic opposition, but rather to improve its use by offering selective incentives to societal forces. Repression and censorship were dramatically curbed under Geisel, and the regime tolerated greater political pluralism, including the electoral advances of the chief opposition party. The military strategists went forward partly in the belief that corporatism offered mechanisms to control this gradual political liberalization. Under Geisel's successor, General João Figueiredo (1979–85), these reforms were consolidated by a general amnesty and a return to a multiparty political system. However, as many other would-be authoritarian reformers around the world have discovered, it became increasingly difficult for the government to keep the political opening under its own control. Liberalization accelerated. By the time free gubernatorial elections were held in 1982, Brazil was experiencing a vigorous pluralism that increasingly resembled democracy, although the powerful presidency was still held by the military. A popular campaign for direct elections in 1984 succeeded in dividing the promilitary party, allowing the opposition to capture the presidency in an indirect election held in January 1985. On March 15, 1985, José Sarney was sworn in as president, inaugurating the current democratic regime.

The story of Brazilian democratization has been well told elsewhere, but here we would add an important point often neglected in the regime-change literature: a rollback of corporatism was never on the agenda of the democratic transition in Brazil. The only partial exception appeared briefly with the rise of the *Novo Sindicalismo* of the late 1970s (to be discussed below), which demanded an end to state chartering of labor unions. Although the New Unionism initially opposed traditional corporatist structures and control, its anticorporatist discourse was drowned out within the union movement as priority was placed on sector-specific demands for employment and higher wages. This brief anticorporatist impulse was also quickly overwhelmed by the wider, more immediate macropolitical agenda of promoting military withdrawal and a full transition to democracy in Brazil.

Thus, a reform of corporatist structures did not emerge as a major goal of the democratizing coalition of the 1970s and 1980s. This can be explained by the primacy of the immediate short-term goal—ending military

rule—but also by the historical memories and vested interests of many prodemocratic actors. Though “new” actors were becoming salient in Brazilian politics, important sectors of the opposition were still led by veterans of (or heirs to) the old Vargasist political machine—especially the populist and corporatist PTB, the dominant labor party of the 1950s and early 1960s. Many of these leaders expected that a transition to democracy would yield a political system not very different from that of the 1946–64 republic, where the coexistence of corporatism and democracy offered them great personal and collective benefits. Thus they saw no pressing need to reform the corporatist legacy. The best evidence of this came in the democratically elected National Constituent Assembly of 1987–88, which preserved many aspects of the legacy of Vargasist corporatism. For example, although the 1988 constitution did away with state chartering of unions and state interference in the administration of unions—these reforms being a direct victory of Novo Sindicalismo—it maintained unions’ territorial monopolies and their state-collected funding through the *imposto sindical*. Moreover, since competition was permitted at the confederation level but union monopoly was the norm at other levels, it created a hybrid and sometimes incoherent system of union organization.

In the end, democratization did not seriously threaten the corporatist legacy. As Mericle foresaw, after 1985 a familiar marriage reemerged: corporatism and democracy simply “renewed their vows,” and nothing about the democratic transition put a major dent in the corporatist legacy.

Trends Favoring the Potential Erosion of Corporatism

Although the inauguration of the current democratic regime in 1985 brought substantial political change in Brazil, we stress the fact that political change occurred simultaneously with important changes in the social, economic, and demographic structures of Brazil. The Brazil of the Estado Novo, the Brazil of the 1946–64 democratic republic, the Brazil of the military regime, and the newly democratic Brazil all differ from one another in extraordinary ways (Power and Roberts 2000), so much so that the country in which Vargas implanted corporatism in the 1930s is no longer visible. Therefore, it is worth investigating to what extent the confluence of social and economic change—as opposed to the political change already discussed—militates against the continued viability of cor-

poratism. Here we focus primarily on socioeconomic and sociodemographic trends that have become markedly visible since the democratic transition in 1985 (although clearly some of these trends have earlier roots), but we also acknowledge the importance of domestic economic liberalization and global trends in production and trade.

First and most notable, the military regime presided over major changes in the industrial and productive structures of Brazil, and the democratic period has witnessed continued change on these variables. The economy is more diversified than ever before. Comparing the mid-1950s to the mid-1990s, coffee's share of export earnings fell from 55 percent to 6 percent; the percentage of workers in the primary sector fell from 56 percent to 26 percent, and the proportion of workers in the service sector rose from 29 percent to 54 percent. The share of workers in manufacturing rose sharply during Brazil's great industrial transformation between 1930 and 1980, but has since begun to fall in relative terms as the economy shifts toward services. Another major trend over the past twenty years has been the massive rise in the informal sector, meaning that an increasing percentage of Brazil's workers are outside the formal, and largely corporatist, structure of labor legislation. The trends toward service employment, informalization, and increasing differentiation of both capital and labor mean that Brazil is undergoing the familiar transition from "organized" capitalism, based on a few large players in both industry and unions and a dirigiste state, to a more "disorganized" form that is less easily managed by macro and statist approaches such as corporatism. Clearly, a system of interest representation geared toward the initiation of import-substituting industrialization in the 1930s, and to its carefully controlled management over the next four decades, is less suited to an economy that has undergone astonishing diversification and differentiation over the past seventy years.

These long-term changes in domestic economic structures have been greatly accelerated since the late 1980s by challenges emanating from the international economy. While mounting external debt and slowing domestic growth exposed the fundamental crisis of the developmentalist state, the phenomenal growth in world trade led to irresistible pressures toward structural adjustment and away from autarky. Brazil's reaction to these pressures was delayed and uneven, but since the early 1990s successive governments have embarked on a gradual process of trade liberalization, privatization, and state shrinking, and firms have adjusted their

management and investment strategies. Both policymakers and competitive businesses began to view the legacy of corporatism as a major obstacle limiting Brazil's ability to respond creatively to the rapidly changing international environment. The reform agenda of presidents Fernando Collor de Mello (1990–92) and Fernando Henrique Cardoso (1995–2002), premised on an overall reduction in the level of state intervention in the economy, was increasingly incompatible with corporatist institutions.

As elsewhere in Latin America, one of the most important responses to the challenges of the 1980s and 1990s came in the form of political decentralization. Historically, Brazil had enjoyed a system of strong federalism, but in the 1930s the Vargas government unleashed an aggressive process of centralization, one that was later revived under the 1964–85 military regime. Given the historical association between authoritarianism and centralization, it is not surprising that the democratic transition of the 1980s was largely propelled by subnational leaders and governments seeking to reassert their influence in policymaking and win administrative power for themselves (Abrucio and Samuels 2001). The decentralizing forces won their greatest victories in the constitutional convention of 1987–88, which returned impressive powers to the states and municipalities, including direct control over more than half of federal government revenues (Souza 1997). Decentralization has led to serious problems in fiscal management and in political coalition building, but it is also undeniable that—similarly to the United States—much of the most significant policy innovation in Brazil in recent years has come from state and local government (Montero 2000, Samuels 2000). The dramatic reassertion of robust federalism in post-1988 Brazil has sharply altered the political context in which Varguist corporatism was initially forged, and the idea that all policymaking can or should be centrally managed is no longer widely accepted in Brazil.

Although this outflow of power from the central government to the subnational governments is important, many observers have commented on an even more striking development in Brazil since the 1980s: the extraordinary growth of an independent civil society. By “independent” we refer to groups that were created autonomously of the state and whose survival is not contingent on official support. Although reliable statistics on civil society are difficult to obtain, those available all show clearly that there has been an exponential growth in social movements, NGOs, and

neighborhood and self-help organizations, often supported by the Catholic Church.³ Environmental groups exploded in the run-up to the Rio de Janeiro Earth Summit in 1992, and many other NGOs and social movements work in the areas of agrarian reform, civil rights, racial justice, and women's issues, to name only a few. Added to the growth of independent unionism (to be discussed below) and the overall rise in professional associations, the rise in grassroots associationism has led to innovative policy initiatives, greater accountability, and a progressive devolution of the policy debate from the level of the state to the level of society. Again, this striking organizational differentiation implies that Brazilian society may be becoming too complex to govern with the traditional, and often blunt, tools of corporatism. Centralizing and monopolistic solutions are increasingly viewed with suspicion as a diverse network of autonomous secondary associations builds a countervailing force against state power.

Within the general category of change "from below," we draw attention to the Novo Sindicalismo or New Unionism that emerged in Brazil at the end of the 1970s. The strikes in the São Paulo industrial belt between 1978 and 1980 led to the creation of the first union confederation in Brazilian history completely independent of the state: the Central Unica dos Trabalhadores (CUT). With it was born the most important new political party of the left, the Workers' Party or PT (Keck 1992). Although today the CUT is often described as the labor arm of the PT, twenty years ago that relationship was reversed: the PT was the political incarnation of grassroots unionism and rejected the *peleguista* politics associated with older left parties such as the Brazilian Communist Party (PCB) and the Vargas-era Labor Party (PTB).⁴

The CUT and PT were set up in explicit opposition to much of the corporatist (and populist) legacy and broke with a number of the corporatist tenets of post-Vargas labor politics. The CUT rejected union bossism and manipulation from above by the Ministry of Labor, discarded the principle of union monopoly (*unicidade sindical*), and even adopted a position of uncompromising opposition to the military regime's economic policies. A measure of the PT's consistency in supporting a change in the law to allow the formation of multiple and competing unions (*pluralismo sindical*) is that, in the 1987–88 constitutional convention, the PT actually joined forces with the right in a losing battle against all other parties of the center and left, who succeeded in maintaining the corporatist principle of *unicidade* as a constitutional provision. Despite the CUT's principled

stand against corporatism, its leaders soon came to accept that—given the weakness of most unions, their financial dependence on the union tax that in turn funded their welfare activities, and the apathy of the majority of workers—it was better to adopt a pragmatic view toward the state funding of unions and other corporatist provisions in the interests of a longer-term impact on worker organization. The next section discusses how such decisions favor the inertial maintenance of corporatism.

Although the advent of Novo Sindicalismo dominated labor politics in the 1980s, in the 1990s the CUT's calls for the reform of employer-employee relations were reiterated by another new labor confederation calling itself Força Sindical, or Union Power. FS distinguished itself from the CUT in several ways: by its looser organization, by its lack of identification with a single political party, and by its far more pragmatic and non-ideological stance. FS described its approach as a form of *sindicalismo de resultados* (results-based unionism) based on a strategy of frequent, consultative, and nonconfrontational collective bargaining with employers, and considered itself the best suited to respond to the challenges of economic reform. Though the CUT-FS rivalry was intense and the groups sometimes found themselves on opposite sides of issues, the two new confederations displayed one important similarity: a strong rejection of the old paternalistic traditions of corporatist labor relations. Although this trend is far from monolithic—for example, CUT leaders are ambivalent about ending the union tax, their member unions' major source of guaranteed income—we may still observe that the advent of strong anti-corporatist tendencies within the labor movement and within the major party of the left (the PT) is one of the most important developments distinguishing the post-1985 political democracy from earlier periods.⁵

Although we have emphasized trends occurring at the level of the economy and society here, there is no doubt that some of the greatest resistance to the corporatist legacy has emerged from within *some* sectors—though obviously not all—of the technocratic and political elite itself. This brings us full circle from Guillermo O'Donnell's classic 1973 analysis of the onset of bureaucratic-authoritarianism in midcentury, which emphasized the "rise of technocratic roles" as one of the main variables in explaining a closed, authoritarian-corporatist political system. Although the importance of technocrats has continued to rise over time, today in Brazil there is a strong antistatist technocratic element that rejects all or most of the corporatist legacy. Many of the newer generation of

economists, largely U.S.-trained, are pragmatically oriented toward productivity and efficiency, and thus oppose the rent-seeking behavior of various social forces weaned on the developmentalist state. They are cosmopolitan, their standards of success are externally driven, and they have a strong commitment to removing what they view as anachronistic obstacles to the free operation of markets. These goals often bring them into direct conflict with various vestiges of corporatism, in labor relations, in the business sector, and not least among politicians and state employees. Over the past decade, technocrats attached to the strong presidency have almost exclusively initiated the partial rollback of corporatism in the constitutional and legislative spheres.

In both the Collor and Cardoso administrations, modernizing technocrats have been fully backed by an activist executive branch, but the administrations met with starkly different results. Collor's attempt at reform by imposition was largely unsuccessful, while Cardoso's attempt at reform by negotiation—in which Cardoso took personal responsibility for building legislative coalitions around the often unpopular market-oriented reforms of his technocrats—achieved a string of important victories (Weyland 2000). In this fashion, Cardoso claims to have chipped away at the façade of corporatism between 1995 and 2002, although with mixed results.

Trends Favoring the Inertial Maintenance of Corporatism

Although a number of factors and trends, discussed above, suggest that some reform of corporatist structures and institutions is conceivable in the long run, it is important to recognize that another group of factors has militated against reform to tip the balance in favor of the status quo. The inertial elements inherent in Brazilian corporatism, acting as obstacles to change, can be analyzed in terms of (1) the benefits of corporatism, which create entrenched networks of vested interests; (2) the fragmentation of business and labor organization, which destroys their capacity to mobilize collective action and articulate a consensus on reform; and (3) the institutionalization of corporatism, which is embedded in the legal framework, formal structure, and informal practices of the state's relations with civil society.

The benefits of adhering to corporatism are assimilated at all levels, and the rent-seeking coalitions it fostered are so entrenched that it is diffi-

cult to oust them. Over the decades, loyalty toward the corporatist model grew, partly because economic and political actors tied their individual survival strategies to it and partly because of their leaders' desire to control and profit from the vast resources channeled through corporatist institutions. For example, in 1997 the Caixa Econômica Federal, a state-owned bank, distributed just under US\$2 billion among the approximately 16,000 corporatist entities representing labor and capital.

Although business did not hesitate to work around corporatist restrictions via its voluntary parallel structure of associations, it upheld those areas of corporatism that were advantageous to it, such as collective bargaining with the state as mediator, obligatory contributions to association and federation, and official funding provided for the training and apprenticeship programs of the so-called Sistema S.⁶ Business, focused on rent-seeking interaction with state actors, learned to tolerate state intervention, to develop close ties with bureaucrats in regulatory agencies, and to focus its efforts on winning individually granted privileges and subsidies, while giving the state the upper hand in policymaking. It also preferred to rely on the mediation of state actors in its negotiations with labor, mainly through the Ministry of Labor and the labor courts. The system is vastly overburdened. In an average year, labor courts file some 2.5 million cases, many involving petty disputes between employer and employee, making Brazil the country with the largest number of filed labor suits in the world; by way of comparison, the equivalent figure for the United States is approximately 75,000 cases per annum. It is also important to note that both employers and employees accommodated themselves to the "protection" of the labor courts, which form the bedrock of corporatism in Brazil. The existence of these courts removes any incentive for the two parties to a dispute to settle their differences by negotiation, and instead encourages them to rely on the state's paternalistic role in deciding outcomes.

Similarly, as mentioned above, traditional union leaders are unwilling to give up their control over the ample resources of the compulsory union tax, which accrues to them irrespective of the number of registered union members or the quality of the services they provide. However, after political liberalization, whenever it was to their advantage, unions protested against or ignored corporatist legislation. Thus, in the early 1980s, strong industrial unions in São Paulo state connected to Novo Sindicalismo advocated the end of the union tax and representational monopoly in order to shake up the comfortable position of the traditional *pelego* leaders—

and even reversed this position when it suited them to do so. Later, industrial and public sector workers ignored the corporatist ban on labor peak associations—an impediment subsequently dropped in 1985⁷—when they found it to be to their advantage to do so. Similarly, although firms and unions in the automotive industry rely on corporatist privileges for access to the state, in 2001 Volkswagen and the Metallurgical Workers Union chose to bypass the labor courts in negotiations over a strike organized to protest wage reductions and worker layoffs. In contrast, port labor unions, despite their “militancy,” never joined any of the newly formed peak associations, comprehending clearly that joining one would weaken their ability to disregard the impact of port union practices on other workers. In fact, the slow implementation of the port reform can be traced not only to the opposition of corporatist port unions but also to the corporatist strategies of the port administrative bureaucracy, staff of the department of transport, and port-related businesses such as private-sector port operators, ship owners, and maritime agents, not to mention the government’s uncertainty with regard to a more general overhaul of corporatism and reforming the CLT (Doctor 2000).⁸

Moreover, as the port case shows, a number of state actors also owe their economic and political power, and sometimes even their jobs, to the existence of corporatist institutions and practices. The bureaucracy of the Ministry of Labor participates in collective bargaining negotiations and also inspects compliance with CLT provisions, which occasionally tests the flexibility of corporatist institutions. For example, in December 2001 Mercedes-Benz was fined 50 million reais for compensating overtime with time “in lieu” to be taken in the future, accepted by workers but not by ministry inspectors, who interpreted it as contravening the provisions of the CLT. The judges of the labor courts adjudicate tens of thousands of legal suits every year and, rarely, also rule on economic issues, such as what constitutes “adequate remuneration” or an “acceptable” level of productivity. Although there have been some attempts to reduce the case-load of labor courts with the help of factory-level conciliation commissions, such as those created by Law 9958 of 2000, they have had limited success due to their voluntary character.

Finally, a number of legislators’ electoral bases are tied to corporatist institutions, making them equally hesitant to experiment with reform. For example, the late senator and governor Mário Covas (PSDB–São Paulo) had close connections to the Santos port unions, Deputy Carlos Santana

(PT–Rio de Janeiro) has connections to the railway and naval construction unions, and Senator Fernando Bezerra (PMDB–Rio Grande do Norte) has close ties to the National Confederation of Industry, CNI, and has even served as its president. Brazil's electoral system of open-list proportional representation is highly favorable to these corporatist, non-territorial linkages between politicians and societal interests (Ames 2001).

The second reason for the inertial survival of corporatism, interest group fragmentation, remains the most difficult of corporatist legacies to overcome. The Brazilian state took great care to endorse the sectoral and fragmentary aspects of the model so as to prevent the creation of (1) a strong business class united by a single peak association or (2) a unified and articulate labor movement. It ensured that businesspeople and workers, locked into monopolistic structures controlled by the state, were given few opportunities to organize and coordinate their activities. For example, the legal institutional structure prohibited unions inside factories; instead, workers were organized according to professional categories along with workers in the same category in other firms in the same area. Thus, one union represented workers from competing firms and a number of unions represented workers within one firm. Similarly, businesses in a single production chain were prevented from forming a single official association to represent their common interests. Not surprisingly, Brazilian corporatism did not create class solidarity but led to the sectoralization of interests, with both business and labor encouraged to adopt a particularistic short-term perspective (Diniz 1997). This legacy of societal fragmentation figures prominently in Weyland's 1996 analysis of the main obstacles to social reform in the post-1985 democratic regime.

In Brazil, corporatist institutions replace party, program, or ideology as the basis for interest representation. Economic groups confront each other directly, or ally themselves, sometimes including specific legislative blocs, depending on the precise issue at hand, and often are careless of the broader public interest (Góes 1990). Although sometimes interested in dialogue on change and reform, they can always fall back on classic corporatist guarantees when the going gets tough. Corporatist business associations do not learn to take a strong stand on policy issues or to hold out for desired policy changes; instead they depend on state largesse and accept paternalistic and clientelistic interaction with state institutions. They find it difficult to act above corporate interests and to unite over general issues, and this includes the larger, more diversified and power-

ful associations, such as FIESP (Federation of Industrialists of São Paulo State) and the CNI. The political weakness of business makes it very hesitant to pursue any autonomous collective action that might damage carefully cultivated informal ties with the bureaucracy.⁹ To make matters worse, corporatist associations occupy substantial organizational space, thus hindering the creation of effective new representative associations (Schneider 1991).

Institutional incentives arising from the design and practice of corporatism, combined with the executive's interventionism, effectively block the emergence of a cross-sectoral and/or cross-class consensus. The failure to create alternative structures was well illustrated by the short-lived *câmaras setoriais* or "sectoral chambers" of the early 1990s. President Collor called for the formation of tripartite sectoral chambers covering a number of industries including automotive, toys, naval construction, and chemicals, and unusually including labor union representatives as well as businesses representing entire production chains, to help the executive negotiate its way out of price and wage controls. Their initial success led to an extension of their activities to negotiating medium-term industrial targets for investment, production, and employment, with the state promising to cut taxes, increase credit availability, and improve infrastructure. But collective action did not last long. The experiment with sectoral chambers demonstrated that, even should business consensus arise over a specific policy issue, as it briefly did within these bodies, decades of past governments' divisive strategies and the strong incentives to yield to the temptation of particularistic access to often corrupt bureaucrats, who implement policies in a discretionary manner, are inimical to sustained cooperation. Even corporatist federations and confederations find it difficult to focus on common positions, and regional differences, conflicts of interest among directors, and conflicting interests of members are the norm (Doctor 2002). To date, business finds that corporatist institutions and practices hinder any collective action organized within the framework of the formal associational structure.

The third and crucial reason for limited success in changing corporatist behavior is the formal and informal institutionalization of corporatism. These structures and rules have outlived five constitutions and both democratic and authoritarian regimes, providing some reassurance in a country facing a number of social, political, and economic problems. Moreover, the formal rules of the game are extremely difficult to over-

write, given that the very actors that are likely to bear the brunt of the cost of adjustment must modify them. A case in point is the controversy with respect to overturning the voting rules and practices of corporatist associations. Some business federations are seriously considering introducing proportional representation to increase their credibility, but the so-called “phantom unions” block any modernization effort likely to bring an end to their powers and privileges.¹⁰ In other instances, constitutional amendments are required to introduce modifications—for example, in 1998 the government sent to the legislature a constitutional amendment bill (PEC 623) to outline its suggestions for the reform of unions, capital-labor relations, and the labor court system—but meet with little success, given that constitutional amendments are extremely difficult to pass. Moreover, corporatism has created a habit of acquiescence to decisions made by leaders, who are seldom restrained by members’ views and interests. Corporatist institutions hinder any “thinking outside the box” on the part of union and business leaders. Corporatism shackles the actions of the more progressive elements in unions and the business community.

The number of failed attempts at modernizing corporatism bears witness to the strength of all these factors. In early 1997 the Cardoso government, reviving a similar proposal made by Collor in the early 1990s, announced that it intended to revoke all articles of the CLT that regulated the collection and distribution of the union tax (excluding Article 8 of the Constitution), but quickly backed down in the face of widespread opposition. Later that year, the government attempted to revoke Article 442 of the CLT, the article that allows the creation of worker cooperatives, since employers often distort its application by insisting on hiring workers via these cooperatives, a practice that allows them to bypass social costs and ignore guaranteed rights of regular employees. Again, the government felt unable to counter the opposition that favored an accelerated informalization of the labor force.

Thus, even clearly reformist presidents such as Collor and Cardoso have been hesitant to announce a clean break with corporatism or to tamper with the 922 extremely detailed articles of the CLT. Worse, both Collor and Cardoso backed away from their stated intentions to reform corporatist legislation on more than one occasion, giving vested interests reason for complacency. It is important to note that in the 1990s Lula and the PT, who generally sided with vested interests against the reform of labor legislation, strenuously opposed both reformist presidents. How-

ever, Lula's rise to power in 2002 coincided both with a decline in socialist orthodoxy inside the PT and with a growing cross-party consensus that reform of the labor code should at least remain on the legislative agenda. Notwithstanding Lula's campaign promise to revisit the issue, it is difficult to predict what the PT's first shot at the presidency signifies for the reform of corporatism. While there are sections of the party clearly in favor of modernizing labor legislation and moving away from corporatist strictures, there are more radical elements in the PT who are firmly opposed to diluting corporatist privileges. One can imagine a scenario of the "it took Nixon to go to China" sort: the experience of other countries suggests that left-leaning parties with roots in the labor movement are best suited to "get away with" a sweeping reform of labor legislation.¹¹ Under this scenario, authentic reform of the CLT could be achieved only by a Lula government—after all, no one in Brazil has better labor credentials than Lula—but only if Lula and the moderate social democrats within the PT succeed in marginalizing the radicals within the party and its union base.

Finally, no matter what views policymakers may have held in the past, the vast majority have begun to recognize that corporatist institutions reduce the government's room for maneuver and could jeopardize the long-term effectiveness of the reform agenda. Thus it is unlikely any government will undertake a complete overhaul of corporatist legislation and institutions, but it is plausible to expect that some elements of corporatism may be dismantled piecemeal in order to adjust to the emerging demands arising from economic liberalization.

Conclusion

Rhetoric aside, evidence suggests that Brazilians are not yet prepared to seriously consider disbanding corporatist arrangements and practices. All major political actors have a stake in the system and do not hesitate to thwart the efforts of progressive agents of change. Ironically, even the most progressive actors often hesitate to protest too hard, since they also benefit from corporatism in other spheres of activity. The example of the CUT is instructive. Although the CUT has long been considered the most independent, principled, and radical union federation, its shift from a confrontational, offensive posture in the late 1970s to a more defensive posture against the market-oriented reforms of Collor and Cardoso in the

1990s led it to fall back on archaic institutions and methods dating from the heyday of corporatism and populism (Boito 1994a). In general, corporatist retrenchment becomes the “default” position whenever an actor feels threatened by change.

Brazilian corporatism has proven to be surprisingly resilient. The durability of corporatism is pointedly illustrated by its cohabitation with four consecutive political regimes, two authoritarian and two democratic. By now it should be abundantly clear that there is no one-to-one correspondence between corporatism and regime type. This survival lends strong support to the historical-institutionalist interpretation by Collier and Collier (1991) of interest representation in Brazil: a critical juncture in the 1930s made possible a radical reworking of the institutional framework of the Old Republic, and only another authentic critical juncture is likely to permit a similar rollback of Vargas-era corporatism.

Have we reached such a critical juncture? Over the past two decades, Brazil has experienced both a political and an economic transition. Of the two, it was clearly the economic transition that sparked the more important reconsideration of the corporatist legacy. However, the current era of market-oriented reforms, however significant, is unlikely to qualify as a critical juncture of similar historic importance to the Vargas thunderclap. The reason for this lack of equivalence is simple. In stark contrast to the Varguist dictatorship, the current reforms of the Brazilian political economy are being processed via a *democratic* framework, with all the sluggishness, gradualism, and particularistic appeasement that democracy implies. The incremental change occurring under post-1985 democracy lends itself well to Charles Anderson’s classic notion of a “living museum,” in which new actors and institutions are added to the mix but old ones are never entirely displaced (Anderson 1964). The current regime features an accumulation of vested interests whose power and influence extend back through seventy-odd years of corporatism, and they cannot be expected to go quietly into the night. So although we see the recent market-reform agenda as logically incompatible with unreconstructed corporatism, we caution that Brazilian democracy has found ingenious ways of making them compatible, and will continue to do so in the future. To sum up: the reality of economic change creates pressures for corporatist rollback, but the reality of democracy attenuates these pressures.

Given the fragile institutional framework of Brazilian democracy—a fragmented multiparty system, minority presidentialism, and unstable

coalition governments—and given a daunting array of social and economic problems that need to be solved yesterday, even the most committed reformers in Brazil are under pressure to sacrifice long-term goals in the interests of short-term governability. These tradeoffs are inevitable, and they illustrate why a fundamental restructuring of corporatism is never high on the agenda. For example, the Cardoso government spent two years promoting a reform of the CLT that would “flexibilize” the labor code and write into law a practice that was already taking shape informally in Brazil: in the case of contradictions between bargaining agreements and the labor code, agreements would take precedence over statutes (*o negociado prevalece sobre o legislado*). After the Senate had passed this proposal and the amendment was on its way to the Chamber of Deputies in March 2002, Cardoso pulled the measure from fast-track consideration. The reason? He had to focus all his legislative energy—for the third time in his presidency—on congressional renewal of a temporary tax on financial transactions, a tax that was regarded as essential to fiscal balance and thus to inflation control and currency stability. This example is typical of the tradeoffs that Cardoso faced: he frequently had to give up long-term, fundamental reforms of the corporatist structure in return for short-term support on a variety of conjunctural issues, most of which have to do with muddling through on the macroeconomic front.

Note that even if this particular reform had passed, it would still have been a rather timid modification of the corporatist legacy. When faced with conflict, business and labor would have been permitted to bypass the CLT, but only by mutual agreement. At any time, either party could have easily resorted to ironclad Vargas-era statutes in order to bolster its position. This example illustrates another fundamental problem with the current system: a retreat to corporatist protections is always the default position of actors facing threats. Given that the default position is one of refuge, actors will always want to preserve that position as a last resort while they debate any potential changes to the corporatist system. In the CLT example cited above, actors were willing to experiment with the *negociado*, but only if they could count on the *legislado* as a fallback. This is a perfectly rational and understandable position of any actor socialized to the corporatist system. Therefore, we expect that any future modifications to Brazilian corporatism will be of this cautious, incremental type, wherein new “pluralist” mediations will *overlay* rather than *replace* the old corporatist ones. As new institutions are established above the corpo-

ratist bedrock, Brazil may eventually move toward a form of “marble-cake corporatism” characterized by a fascinating intertwining of pluralist and corporatist practices. But absent a new critical juncture, it will be corporatism that flavors the cake.

Notes

1. This chapter does not examine the corporatist organization of the rural sector, although applying corporatist structures to highly mobilized rural labor—with the creation of CONTAG in the 1960s—was seen as a way of incorporating this increasingly vocal group into the modernizing agenda of the state. It was also seen as a victory of the state over the progressive Church and the communists. See Houtzager (1998), Pereira (1997), and Maybury-Lewis (1994) for good analyses of the organization of rural groups.

2. The term “bureaucratic rings” was first used by Cardoso in the Brazilian context, when referring to the close-knit circles that developed between bureaucrats and business under the bureaucratic-authoritarian regime (Cardoso 1975: 181–84, 206–9).

3. Information on the astonishing growth of nongovernmental organizations in Brazil is available from the Web sites of two prominent clearinghouses for these groups: IBASE (Instituto Brasileiro de Análises Sociais e Econômicas, <http://www.ibase.br>) and ABONG (Associação Brasileira de Organizações não Governamentais, <http://www.abong.org.br>).

4. The word *pelego*, which literally refers to a saddle blanket, is a derogatory term for the state-sponsored union bosses introduced under corporatism. True to their nickname, the *pelegos* made it more comfortable for the state to “ride” the unions. *Peleguismo* refers generally to this style of paternalistic, clientelistic bossism.

5. The reader is referred to the provocative publications of Armando Boito Júnior (1991, 1994a, 1994b). Writing from a revisionist Marxist perspective, Boito argues that the CUT has never really overcome the powerful legacies of corporatism.

6. According to the business weekly *Exame* of February 11, 1998, the Sistema S, including SENAI, Sesi, SENAR, and SENAC, was worth approximately 3.9 billion reais (more than 3 billion dollars) in 1997.

7. The first explicit break with corporatist tradition came in 1985, not from business but from labor unions demanding an expansion of pluralist and democratic elements within the union structure. Union autonomy led to the creation of several peak associations that competed for membership and adherence of lower-level unions, still organized on a corporatist basis. By the mid-1990s there were three peak associations—CUT, CGT, and Força Sindical.

8. The Port Modernization Law (Law 8630 of 1993) aimed to reduce port costs

and increase their efficiency by stimulating inter- and intraport competition and by privatizing port operations. It also revoked a number of corporatist privileges, such as the daily-hire labor unions' exclusive right to nominate workers to cargo handling operations on board ships. Although passed in 1993, many of its provisions are not implemented to this day.

9. Karl Fields (1997) makes this point with regard to Korea and Taiwan, but it also holds true in the case of Brazil.

10. One of the most cited and best examples of the distortions of the system is the fact that two associations, one for women's hats and one for men's, represent the São Paulo hatmakers, who thus possess two votes in FIESP. In contrast, the machine tool industry—large in terms of output, employment, and number of firms—is represented by only one association and hence has only half the number of votes that hatmakers have. Of course, one can argue that votes matter very little in the day-to-day working of a federation and are crucial only with respect to leadership elections and changes to the constitution of the federation.

11. Examining the case of Spain under the Socialist governments of the 1980s and 1990s, Royo (2000) argues that the dependence of the Spanish labor central (UGT) on the Socialist Party (PSOE) allowed the government more space to move forward with market-oriented reforms.

Mexico's Semicorporatist Regime

George W. Grayson

Introduction

For some thirty years after World War II, Mexico's corporatist regime dazzled as a Cinderella among the ragged stepsisters of the developing world. The proud nation avoided coups d'état thanks to stability provided by the dominant Institutional Revolutionary Party (PRI). Economic growth averaged 6 percent per year, the peso maintained a fixed exchange rate with the U.S. dollar, a sophisticated manufacturing sector sprang to life, and oil production mushroomed. What accounted for this remarkable record? What factors undermined Mexico's "soft dictatorship" presided over by the hegemonic PRI, characterized by an occupationally based clientele? And what success has President Vicente Fox Quesada, called the Marlboro Man because of his six-foot-five-inch height and rugged good looks, had in replacing the country's decaying corporatist structures since he took office on December 1, 2000?

Mexico: A Corporatist Cinderella

Corporatism is a sociopolitical system that provides representation primarily via professional and occupational groupings rather than through individuals representing geographic constituencies. Although corporatism could function democratically, it tends to be top-down, authoritarian, and statist—a mechanism for regulating change and maintaining discipline over interest groups and their members. It is usually antiliberal, antipluralist, and anti-free enterprise. Virtually absent in American political discourse and traditions, corporatist institutions pervaded Spanish colonial society in Mexico.

President Lázaro Cárdenas (1934-40) gave impulse to corporatism in twentieth-century Mexico, building on a history of corporatist practices dating to the colonial era. The politically savvy general integrated key interests into the ruling party, which later became the PRI. Under this formula, a national executive committee headed a party comprised of peasant, labor, popular/middle-class, and military sectors. Each grouping exerted influence through a mass-membership organization. As the institution evolved, the National Campesino Confederation (CNC) became the preeminent organism for peasants, the Confederation of Mexican Workers (CTM) fulfilled the same function for trade unionists, and the Federation of Unions of State Employees (FSTSE) emerged as the dominant force in the popular sector (CNOP). In 1940 the party dismantled the military sector, in part because politicians wanted to prevent the armed forces from becoming power brokers, in part because officers recoiled from public scrutiny. Still, the reach of the revolutionary party extended to most of the population, which numbered 19.7 million people, almost two-thirds of whom worked in agriculture.

In theory, power in the party emanated from the grass roots through sectoral leaders to top decision makers. In fact, though, the wily Cárdenas and his successors in Los Pinos presidential palace manipulated labor, peasant, and popular chiefs. Increasingly, these leaders owed their positions not to the rank and file of their entities but to the executive and his lieutenants, who opened their access to lucrative opportunities.

The adoption of import-substitution industrialization (ISI) in the late 1940s strengthened the revolutionary party's corporatist pillars and powered economic development. This strategy relied upon import permits, quotas, and sky-high tariffs to diminish the influx of foreign-manufactured goods. In addition, the government coddled "infant industries" with monopoly status, cheap credits, low-cost energy, a publicly financed infrastructure, preferential tax treatment, a malleable labor movement, and other investment incentives.

ISI proved a godsend to Mexican corporatism by providing additional means with which to fortify the system. The myriad of permits, tariffs, quotas, and rules and regulations spawned a vast state apparatus with a clientele devoted to preserving and enlarging official controls. The multitude of bureaucrats grew in proportion to public intervention in the economy. Nationalizations expanded the number of monopolies to 1,150, and the state eventually generated approximately one-third of the national income. By the early 1980s the federal government employed more

than 3 million people. All this greatly enhanced the clout of the president, who occupied the apex of the corporatist scheme. He had access to Croesus-like resources from which to reward PRI stalwarts with money, jobs, and opportunities for personal enrichment. Even when salaries were modest, a “public servant” who dispensed import permits, for example, could multiply his income by exacting under-the-table payoffs. ISI also enriched well-connected businessmen, who were organized into chambers of commerce that paralleled the party structure.

Certain unwritten “rules of the game” guided behavior within this system.

1. Reelection to the presidency, congress, and governorships was prohibited, militating against a single individual's dominating national politics for more than six years.
2. The state bureaucracy exercised a viselike grip over both the party and the military. The armed forces, particularly after the abolition of the ruling party's military sector, obeyed the orders issued by civilian leaders rather than deliberating over what course to follow.
3. The regime's leaders continually invoked the pragmatic ideology of “revolutionary nationalism” to enhance their own legitimacy and discredit opposition forces on the left and right.
4. Although indulging in antibusiness rhetoric, the party-state amalgam forged an implicit alliance with private capital.
5. The incumbent chief executive, who consulted with key members of the revolutionary family, designated the PRI's presidential nominee in a procedure known as the *dedazo*.
6. Presidential aspirants who were passed over threw their support promptly and publicly to the PRI nominee—in return for which they received consolation prizes, usually in the form of a remunerative governmental post.
7. The party's sectors operated on a “one for all, all for one” basis in backing each other's candidates for elective positions at all levels.
8. The government party's nominee became the focus of official attention during his presidential campaign, and power flowed to him even before his inauguration.
9. To modulate the relative power of the incoming and outgoing chief executives, the former selected the ruling party's president and the latter chose its secretary-general.
10. Whether or not credible opposition existed, the PRI's presiden-

tial nominee relentlessly crisscrossed the country, visiting all states, major cities, important towns, and scores of union halls and communal farms. Such barnstorming enabled him to activate the party's machinery, to identify new cadres, to become acquainted with the country's problems and peoples, and to forge an image as the undisputed head of the Mexican national family.

11. Cabinet members, governors, and other high officials retained their posts unless removed by the president. To uphold the social peace, it was understood that (a) members of the revolutionary family spurned violence in settling intramural disputes, (b) incumbent presidents refrained from disparaging their predecessors or their families, (c) outgoing chief executives carried out devaluations and other difficult economic policies so that successors could assume office under the most favorable conditions possible, and (d) former presidents maintained a low profile, while comporting themselves in a dignified manner.

12. The mass media generally abstained from criticizing the regime, especially the decisions and actions of the chief executive. A loss of government-supplied newsprint could follow the publication of negative articles.

Corporatism Undermined

Blatant crookedness and a protracted economic crisis in the late 1980s sharpened unrest in Mexico. This situation convinced Carlos Salinas de Gortari, a young Harvard-educated technocrat who served as budget and planning secretary before gaining the presidency in 1988, that Mexico had to tumble its high wall of protectionism. After all, western European nations were moving inexorably toward an economic union, Canada and the U.S. were negotiating a free-trade agreement, and Asian nations were informally integrating their economies. Salinas feared that Mexico's failure to break out of its economic cocoon and participate in an increasingly globalized economy would make it forever a backwater beset by mounting political turbulence. Thus he championed Mexican membership in the General Agreement on Tariffs and Trade, the signing of investment and trade agreements with the U.S., the privatization of government holdings, and the establishment of a North American Free Trade Agreement (NAFTA).

George H. W. Bush's White House was receptive to NAFTA, but many

Washington lawmakers railed against Mexico's "dictatorship." To counter such diatribes, Salinas allowed the moderate National Action Party (PAN) to assume several governorships. A Salinas-PAN deal in Guanajuato state especially infuriated his party. The ruling party's candidate appeared to have won the race for the statehouse—an outcome that jibed with public-opinion polls—only to be ousted by the president. Apart from such Machiavellian ploys, Salinas did grant greater press freedom and establish the Federal Electoral Institute (IFE) to promote fair elections. These actions, combined with a Herculean lobbying effort by Bush's successor Bill Clinton, achieved approval of the U.S.-Mexico-Canada pact, which took effect on January 1, 1994. Despite mounting unrest at home and opposition to the new strategy within the PRI, Salinas continued with his neoliberal reforms. His changes

- Ruptured the ruling party. In 1987 a group calling itself the Democratic Current, led by Cuauhtémoc Cárdenas, Porfirio Muñoz Ledo, and Andrés Manuel López Obrador, bolted the PRI. These renegades inveighed against the growing role of free-market proponents like Salinas and other technocrats. They preferred the protectionist welfare state, which had once yielded rich political dividends for the PRI.
- Diminished rewards to the faithful. The economic opening eliminated or reduced tariffs, quotas, and import permits, while sharply reducing the discretion of the bureaucracy's sticky-fingered PRI loyalists, many of whom had grown rich in public service.
- Diminished central control. As economic activities were decentralized, the authorities in Mexico City found their reach sharply limited.
- Generated cries for greater choices in the political sphere to match those in the economic marketplace. Mounting competition at the ballot box delivered a setback to corporatism. The PRI's labor and peasant sectors, for example, simply could not field many articulate, media-savvy candidates capable of winning fair elections.
- Gave rise to opposition-party successes, particularly at the state and municipal levels, that eliminated hundreds of thousands of jobs once available to PRI stalwarts. Many *priístas* fumed over Salinas's readiness to bargain away political plums to advance a neoliberal policy they despised.
- Encouraged businesses to employ cutting-edge production prac-

tices to compete globally. This imperative militated against government-sanctioned salary hikes and attractive, job-rich collective contracts for PRI labor unions.

- Encouraged intense scrutiny of politicians and elections by the media, the IFE, and growing numbers of nongovernmental organizations (NGOs).

Wrongdoing racked the Salinas administration, several of whose big shots—including his younger “troublesome brother” Raúl—were linked to Mexico’s booming narcotics trade. For all his braggadocio about delivering “an improved democracy,” Salinas had mocked the electoral process by suppressing the left and, much to the dismay of the PRI, booting elected governors. Determined to preserve a positive image, Salinas had also spurned the making of difficult economic decisions before leaving office on December 1, 1994. He left behind a financial mess. Yet his successor, Ernesto Zedillo Ponce de León (1994–2000), continued to push Mexico’s version of perestroika, even as he rescued Mexico from its worst economic downturn since the Great Depression.

Mexico’s population growth and social diversification diminished the strength of corporatist organizations. The structure designed by Lázaro Cárdenas in the 1930s had a place for most Mexicans. Between 1940 and 2000, Mexico’s population soared fivefold to 100 million; the literacy rate, 54 percent when Cárdenas left office, approached 90 percent; and service-sector providers, who are notoriously difficult to organize, swelled from 19.1 percent to more than half of the workforce. This social revolution witnessed the emergence of new groups (organized slum dwellers, radical students, environmental activists, and NGOs), the expansion of previously small groups (the middle class, Protestant denominations, foreign investors, non-CTM unions, and service providers), and the assertiveness of once-repressed groups (opposition political parties, the Roman Catholic Church, independent journalists, and guerrillas). Zedillo’s commitment to neoliberalism further undermined the PRI’s sectoral foundation, paving the way for Fox’s election.

Fox and Institutional Reform

During his pursuit of the presidency, Fox excoriated corporatism with all the zeal of a Bible-pounding evangelist assaulting Satan. In personal appearances and through astute use of the media, he promised to banish the

corruption, authoritarianism, and mutual rewards that characterized the PRI's seventy-one-year rule. Occasional references to functional, organic structures notwithstanding, Fox emphasized that he would operate the country in a democratic, transparent, and businesslike manner. Such rhetoric persuaded many observers that the new chief executive would move assertively both to hasten the demise of corporatist bodies and to replace them with democratic institutions.

Fox's ability to accomplish such bold change appeared all the more likely because of the breadth of his support. In addition to carrying the "Alliance for Change" banner of the center-right National Action Party and the tiny Green Party (PVEM), he had created a one-million-member *Amigos de Fox*. These Friends of Fox, composed chiefly of middle-class independents, women, and members of the business community, were organized into two dozen different age, gender, geographic, and occupational sections. Further enhancing the new chief executive's options for reorganizing the political system was the strong support that he enjoyed from major elements of the Roman Catholic Church and the business community, especially the internationally oriented Monterrey-based entrepreneurs.

After eighteen months in office, the businessman-turned-politician faced the worst of all worlds. He was smarting from the opposition of scores of corporatist bodies that—while holding fewer elective posts than in the past—continue to maintain their economic bases, thanks to the dues collected from hundreds of thousands of members, as well as to illicit transactions. The problem for Fox, however, was that the PRI's loss of Los Pinos removed an authority that could control and restrain actions by corrupt, self-serving labor leaders. Fox boasted no such influence over PRI-linked organizations, and the new "reformist" National Workers Union (UNT) also practices secrecy, authoritarianism, and dubious financial operations. At the same time, the Marlboro Man has made no effort to establish new organizations to challenge and supplant traditional ones, and the national PAN rejects the idea of spawning functional constituencies. Journalist Alvaro Delgado has claimed, though, that the PAN in Guanajuato state has created labor and peasant sectors. To make matters worse, a sharp economic downturn and sagging oil prices have curbed his freedom of action.

What accounts for Fox's failure to concentrate on fortifying and constructing institutions that would advance his agenda? What is the condition of Mexico's organizational landscape in 2004?

First, although an astute vote winner, Fox disdains politics and politicians. A former president of Coca-Cola for Mexico and Central America, Fox made no bones about his belief that businesspeople evince "a discipline and accountability not usually found in political circles." Several days after his election, he met with leaders of the elite Business Coordinating Council to solicit names for major cabinet portfolios. "The only way to eliminate poverty is to generate wealth," Fox averred. "From now on the economy will be managed by professionals. It will not be politicized." He would bring "technical and scientific methods" to the top tier of his administration. Moreover, he promised not to be a desk-bound chief executive, but one who would travel widely at home and abroad to promote his program for the nation. Thus, Fox wanted to surround himself with extremely able men and women to whom he could delegate responsibilities and who would serve their "clients"—citizens—with honesty, vision, competence, and enthusiasm. He seemed to believe that the "democratic bonus" derived from his having defeated the PRI in a fair contest would somehow transform his proposals into laws and constitutional amendments. To that end, he hired four headhunting firms to recruit individuals who could assume high-level jobs in his administration.

"We're looking to leave behind the old culture of friends and cronies," Fox insisted. This merit-based selection process meant that one-third of key positions went to members of the business community. Although many individuals in Fox's entourage brandished impressive credentials, few had either worked together before or had government experience. Ubiquitous turf disputes and an acute absence of cooperation inspired local pundits to jape that Fox had a "Montessori cabinet," that is, one whose members preferred individual initiatives to teamwork. Simply keeping abreast of daily problems militated against the cabinet secretaries' hatching new institutions, had they been so inclined.

The one exception was Marta Sahagún, Fox's longtime communications director, whom he married on the first anniversary of his victory. As First Lady she established the *Vamos México* foundation, designed to mobilize citizens against poverty. She kicked off a fund-raising drive for her venture with a pricey dinner-concert presented by Elton John at Chapultepec Castle. Several leaders of existing NGOs criticized *Vamos México* for diverting monies from groups with similar purposes. Some politicians accused Sahagún of launching an organization to advance her personal political aspirations.¹

Second, to achieve his objectives, the Marlboro Man placed more faith

in employing the mass media than organizations. A physically imposing figure who has a knack for “connecting” with his audience, Fox won accolades for his skill in marketing Coca-Cola. As a result, he relied heavily on television and radio to win the governorship of Guanajuato in 1995, the PAN presidential nomination four years later, and the presidency. During the 2000 campaign, reporters found him far more accessible, quotable, and colorful than his lackluster opponents. Since taking office, he has continued to fill the airwaves with messages. Taking a page from his U.S. counterparts, he initiated a Saturday radio address to the nation. He also took full advantage of the 12 percent of network time available to the government to trumpet his goals and achievements. And when some legislators attacked his proposed extension of the value-added tax to food and medicine as a burden on the poor, Fox ran TV ads calling his critics “liars.”

The president’s continual presence in the media no doubt helped to keep his popularity rating—which stood at 82 percent after his inauguration—above 60 percent in November 2001 before it fell below 50 percent in early 2002 and continued to fall thereafter.² Yet his reliance on the media failed to elicit backing for his bold tax reform among lawmakers, who are insulated from public opinion because they cannot run for reelection. In addition, a marketer’s faith in the impact of television and radio has dissuaded him from concentrating on coalition building in the congress, much less creating structures to counterbalance the change-averse PRI and more leftist PRD (Democratic Revolutionary Party). The revolutionary party’s sectors took turns flailing Fox’s tax proposal without offering a realistic alternative plan. The legislation that the congress approved on January 1, 2002, contained a crazy quilt of elements, which increased the Byzantine character of the nation’s fiscal code.

Third, candidate Fox offered himself as a savior to banish the PRI and its scorned policies. Although the standard-bearer of the PAN and PVEM, he ran as a man above parties who would propel change. Much to the dismay of the National Action leadership, President Fox downplayed partisanship after his triumph. In selecting his cabinet he did not consult PAN politicians; he named relatively few *panistas* to top posts, while giving PRI veterans scores of appointments as federal agencies’ state delegates, as well as diplomatic assignments. Only in January 2002 did he bring Rodolfo Elizondo Torres into his inner circle. Elizondo, an experienced, well-liked politico, was appointed communications director. During his

first year in office, Fox resisted suggestions to launch a no-holds-barred crusade against PRI politicians and others who had illegally enriched themselves in the past. After the PRI failed to provide promised votes for his fiscal plan, the president appeared to change his mind about dealing with the opposition. In early 2002 Comptroller-General Francisco Barrio Terrazas, the administration's anticorruption czar, leaked a report that 100 million pesos from *Petróleos Mexicanos* (Pemex), the state oil monopoly, had flowed via the Oil Workers' Union into the failed presidential campaign of the PRI's Francisco Labastida Ochoa. The former head of Pemex claimed that he had done nothing more than lend funds to the union, which had incurred business debts. Pemex had long been a source of financial support for PRI candidates, and authorities may find wrongdoing in the 2000 transaction. Nevertheless, neither indictments nor arrests accompanied the accusations.

Furthermore, Fox undertook initiatives offensive to many PAN officials. A case in point was his support for the San Andrés accords to confer greater rights on Indian municipalities. This gambit placed him at odds with Diego Fernández de Cevallos, the PAN's chief in the Senate and the party's most influential figure. "Jefe Diego" and others argued that, though it sounded benign, the emphasis on "local autonomy" for indigenous communities could enable the strong to suppress the weak while Balkanizing the nation on the basis of ethnicity. In the final analysis, the congress passed only a cosmetic reform. But, at Fox's urging, legislators allowed masked members of the Zapatista National Liberation Army to address legislators. By welcoming the Zapatistas to Mexico City, Fox conveyed a disturbing message to dissident teachers, angry peasants, strike-prone university radicals, self-serving union bosses, disgruntled squatters, and other hotheads. In the words of political analyst Guillermo Máñez Gil: "If you want to present demands to the government, arm a few hundred men, fit them out with ski masks, declare war against the government and stage a highly televised march on Mexico City." If widely adopted, such confrontational tactics could leave Fox having to cope with even more rabble-rousers, while seeing the congress, political parties, and other fragile institutions weakened during his administration.

Fox's inability to hammer out a consensus on legislative priorities with his own PAN—which holds 206 seats in the 500-member Chamber of Deputies and 46 seats in the 128-member Senate—made it all the more difficult to negotiate with the PRI's 208 deputies and 60 senators. The

result has been a dearth of major legislation. This situation combined with a flat economy has cost the PAN votes in the twenty-odd state and local elections held since July 2, 2000. Although capturing an additional governorship (Yucatán), National Action has witnessed its share of the vote decline from the 42.5 percent won by Fox to an average of 35.08 percent in postpresidential elections. During the same period, the PRI has garnered, on average, 41.38 percent, up from the 36.7 percent won by Labastida.

The chief executive might have helped the PAN avoid, or at least minimize, such slippage had he encouraged the Amigos de Fox to amalgamate with the National Action Party. He has steadfastly avoided integrating these forces into his party.

Finally, Fox's disproportionate attention to international affairs has come at the cost of institution building. At the urging of his bright, well-connected, and ambitious foreign secretary, Jorge Castañeda (since dismissed), Fox traveled to twenty-five countries during his first year in office, greatly surpassing the number visited by Zedillo (three) and Salinas (five). To his credit, the peripatetic president has nurtured close ties with President Bush, won for Mexico a two-year seat on the UN Security Council (2002–4), and publicized his nation's democratic accomplishments. Activism abroad, however, can exact a heavy toll on domestic objectives. The political influence of any new chief executive is like sand in an hourglass. At the beginning of his term, the top cylinder of the timepiece is full. Soon after he takes office, though, grains of sand begin to tumble into the bottom cylinder, mirroring the gradual decline in presidential strength. As satisfying as it may be to dine with the king and queen of Spain, meet with the pope, and visit Ground Zero in lower Manhattan, continual travel invariably takes away time, energy, and political resources from, say, forging legislative alliances for bold initiatives to revise Mexico's tax, energy, and labor laws.

What are the contours of Mexico's organizational terrain? At the conclusion of its Eighteenth National Assembly on November 17–20, 2001, PRI president Dulce María Sauri asked the public to forgive her party for past errors, promised to combat corruption, and vowed that the three-day conclave had launched the modernization of the revolutionary party. The assembly did adopt a plethora of commitments to openness, transparency, democracy, human rights, and other noble causes. Nevertheless, most PRI-watchers came away from the conclave voicing skepticism about the

PRI's actually moving from corporatism to pluralism. As things turned out, the 11,700 delegates preserved the traditional sectors while adding several embellishments. Specifically, they decided that women and militants under age thirty would constitute 50 and 30 percent, respectively, of future candidates for elective office. In addition, Roberto Madrazo Pintado, 51, and Beatriz Paredes Rangel, 48, emerged as the candidates in an open election to replace Sauri when she stepped down on March 4, 2002. The erstwhile Tabasco governor, although the paladin of younger mid-level party stalwarts, owes his success to mastery of traditional practices and longstanding ties to corporatist organizations. The PRI's popular sector, as well as the million-member Educational Workers' Union (SNTE), lined up behind Madrazo, who recruited the SNTE's powerful leader to run for secretary-general on his ticket. Meanwhile, the party's labor and peasant sectors cast their lots with Paredes.

Amid this donnybrook for the PRI's top post, allegations proliferated that Pemex monies had flowed to the party's presidential candidate. These accusations provided one point around which members of the fractious revolutionary party closed ranks. The PRI, the CTM, and the Oil Workers' Union presented themselves as victims of an "unsubstantiated, reckless" attack launched to mask Fox's determination to privatize Pemex. The so-called Pemexgate may turn up some bad actors, but it will ensure PRI opposition to the president's major legislative initiatives. The PRI will also impede moves to ferret out venal figures in unions and other redoubts of corporatism.

PRI apostate López Obrador has also revealed a fondness for corporatism as he prepares to seek the PRD's presidential candidacy in 2006. Since swearing the oath as Mexico City's mayor in late 2000, López Obrador has cultivated several groups with his "humanistic" policies—(1) senior citizens with \$60 monthly payments, (2) the disabled with stipends, (3) students with scholarships, (4) city employees with a generous Christmas bonus or *aguinaldo*, (5) low-income women with tax breaks, (6) disgruntled teachers and other radical unions with subsidized marches through downtown Mexico City, (7) the poor with attempts to subsidize milk prices and to freeze subway fares, and (8) the tourist industry with promises to revitalize the capital's historic zone with new hotels, restaurants, and other attractions. Despite this outreach to functional constituencies, López Obrador shows the same authoritarianism that he manifested when he was president of the PRI in his home state of Tabasco. He

has endeavored to mask this tendency by holding “democratic” plebiscites on issues facing the capital’s residents. Invariably, only a minute percentage of the citizenry participate in this balloting, and the questions are often loaded. A combination of continuing street violence, pollution, traffic bottlenecks, corruption, and inadequate housing may tarnish the image of López Obrador, as has occurred with his predecessors in city hall. In early 2004, however, he was still riding high.

Apart from the neocorporatism practiced by the PRI and elements of the PRD, a plethora of new groups have appeared in Mexico. Most notable are nongovernmental organizations, which have sprung to life like mushrooms in a dank cave, thanks in part to generous economic, technical, and political support from governments, foundations, and NGOs in the United States and western Europe. Although not required to register with the Government Ministry as religious associations do, foreign NGOs must register with the Foreign Ministry. In twenty years the number of NGOs has grown from only a few dozen to more than two thousand. Alianza Cívica (AC), for example, played a key role in the establishment and evolution of the Federal Electoral Commission. Equally important, AC worked tirelessly to make IFE, originally operated by the government, an autonomous, well-funded, citizen-run organization that commands respect at home and abroad. In addition, the state electoral commissions, although of uneven quality, have also become ever more professional and independent.

Like Alianza Cívica, the major NGOs are more prominent at the national level, though the conflict in Chiapas has attracted international NGOs to that state (NGOs are not required to register with state authorities). One notable exception is Las Abejas (The Bees), which was organized in 1992 to advance the cause of human rights in the Chenalhó region of Chiapas. In mid-December 2001, France’s National Assembly recognized Las Abejas’s work in a ceremony attended by Prime Minister Lionel Jospin. Most religious organizations are national in scope, but here too there are exceptions. Under Bishop Samuel Ruiz García, Mexico’s foremost champion of liberation theology, the Centro de Derechos Humanos Fray Bartolomé de las Casas (Fray Bartolomé de las Casas Human Rights Center) functioned as the lay operating arm of the San Cristóbal diocese in Chiapas. Pro-Vida (Pro-life), a lay-run antiabortion group, involves itself in national and state politics, usually on behalf of conservative PAN initiatives.

Conclusion

The growth and diversification of Mexico's civil society, combined with greater press freedom, have made obsolete the adage "Democracy exists in Mexico 364 days a year—it's missing only on election day!" In the past ten years, the electoral process has undergone a night-and-day change—replete with a new set of rules for nominations, expenditures, campaigning, voting, public-opinion polling, and ballot counting.

The problem for Mexico is that no new rules of the game exist for governing. Neither party-linked organizations, NGOs, new labor centrals, nor church-affiliated groups have replaced traditional corporatist structures, which—albeit in a weakened form—continue to occupy critical political space. The next PRI president, whether Madrazo or Paredes, is likely to cultivate the party's array of constituent organizations. For this reason the PRI, eager to safeguard its traditional client groups, spurns a governing accord with the Fox administration that would promote the general good over special interests. Of course, Fox's own ineptness has enabled the PRI to deflect much of the blame for the zero-sum game that it prefers to play.

If Fox's government comes a cropper and internal conflicts continue to afflict the PRI, López Obrador could wind up the beneficiary. Should he become the first mayor of Mexico City to reach Los Pinos, he might well adopt the kind of demagogic populism pursued by Peru's Alberto Fujimori and Venezuela's Hugo Chávez. Such a prospect bodes ill for Mexico's political system, where authoritarianism would compete with nascent democracy and waning corporatism for popular support.

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Notes

1. Cecilia González and Ivonne Melgar, "Estrena hoy Marta Sahugún su fundación," *Reforma* (Internet edition), October 21, 2001.
2. The University of Guadalajara's Center for Public Opinion recorded these figures; see *The News* (Internet edition), November 24, 2001.

What about Corporatism in Central America?

Steve C. Ropp

Introduction

During the 1990s, majority opinion among those who study Central America increasingly came to favor the view that all forms of authoritarian rule and practice, including corporatism, were in full retreat throughout the region. In 1980 Central America could boast only one fully functioning democracy, Costa Rica. A short ten years later, Guatemala, El Salvador, Honduras, Nicaragua, and Panama all had elected civilian presidents.¹ In all five cases, the move toward democracy occurred in crisis circumstances involving domestic conflict and external intervention.² The most dramatic example of such intervention came in 1989 when some 20,000 U.S. troops invaded Panama with the stated aim of replacing military strongman General Manuel Antonio Noriega with a democratically elected president.³

Because of the seemingly unpromising circumstances surrounding the “birth of democracy” in Central America, some scholars have remained understandably skeptical about the quality and durability of the new democratic governments that they appeared to produce.⁴ Such skepticism was enhanced by the frequency of what might be called “authoritarian moments” during subsequent years. These included events such as the 1990 coup attempt launched in Panama by members of the defense forces and the 1993 “self-coup” of Guatemalan president Jorge Serrano during which he attempted to dissolve the congress and the supreme court.

In spite of some rough moments and lingering doubts, evidence continued to mount throughout the decade that regional politics had undergone a major structural transformation from authoritarianism to democracy.

By the middle of the 1990s, all five countries had experienced a relatively peaceful transfer of power through elections from members of a ruling party to members of the political opposition. Such a collective transformation of systems of political representation was totally unprecedented in the region's history, and led some scholars to conclude that it was the duration and depth of the regional crisis itself during the previous decade that had brought it about.⁵

Ariel Armony neatly sums up this majority view concerning progress toward democracy:

Undoubtedly, there was real progress if we compare the stable and relatively peaceful situation in Central America at the end of the twentieth century with the violent conflicts that inflamed the region in the 1980s. Seen in the context of the most recent wave of democratization in Latin America, the unprecedented scope of political transformations in Central America in the 1990s suggested that a new type of political regime emerged in the region. There appeared to have been a fundamental shift toward forms of competitive rule that bear no precedent in countries such as Guatemala, El Salvador, Honduras, and Nicaragua: significant levels of political moderation and consensus among elites, widespread mass support for democratic institutions, and unparalleled (for the region) political inclusiveness of various social sectors.⁶

In this chapter I take the position that, although democratic governments have indeed sprung up throughout the region during the past several decades, there are many lingering manifestations of corporatism. Furthermore, these corporate manifestations need to be recognized as much more than simply quaint and residual legacies of the past. While the various *governments* in Central America are genuinely more democratic today, they continue to operate within a structural framework at the level of the *regime* that is often quasi-corporate or even fully corporate in nature. And, as I will discuss in more detail, this corporatism-as-overriding-regime-structure perspective on the nature of governance suggests that we can view it as neither entirely absent from nor functionally irrelevant to existing political systems, and perhaps as not even entirely antithetical to democratic practice. Rather, we need to view corporatism as a set of structural properties of Central American countries that can coexist with and even at times enhance democratic governance within poorly institutionalized political systems.

I will begin my analysis of the Central American cases by briefly describing the historical debate about the nature of corporatism, authoritarianism, and militarism in the region—considering, more specifically, how those who study Central America have traditionally attempted to explain patterns of state-society relations and associated modes of political representation, and how this traditional understanding has differed from that of scholars who have focused more exclusively on political developments in South America. Second, I will describe the surprisingly wide range of corporate regime structures that exist today within individual Central American countries, taking a particularly close look at “lingering” corporate features of regional constitutions. Third, I will use some examples of modern corporatism in action to illustrate the way in which democratic governments are using corporate practices to deal with new aspects of their domestic and transnational environment. And finally, I will speculate a bit about the future of corporatism and democracy in the region.

The Historical Debate about the Nature of Corporatism, Authoritarianism, and Militarism in Central America

Some twenty-five years ago, a major debate began among Latin Americanists concerning the fundamental nature of state-society relations and associated modes of political representation within countries in their region. Up to that time, the conventional wisdom had been that traditional authoritarian governments, often based on institutional support from the military, were political dinosaurs—remnants of the past that would eventually be replaced by either class-based Marxist mass democracies or liberal pluralist democracies.⁷

Relying on theories about the organic rather than pluralist nature of the state, drawn largely from the historical experience and culture of Spain, a new generation of scholars began to challenge this conventional wisdom. Although they often reached quite different conclusions about the nature of corporatism and the various factors that produced it, all collectively suggested that an understanding of regional politics required much more than simple application of existing rather ethnocentric liberal democratic and Marxist theoretical frameworks.⁸

In retrospect, what is interesting about this historical debate is how little direct impact it had on writings about *Central America*.⁹ The new generation of scholars who wrote about Latin American corporatism fo-

cused almost entirely on a small group of South American countries—Argentina, Brazil, Chile, and Peru—where a number of “modernizing authoritarian regimes” with corporate features were seen to be emerging. Given the vast differences between these countries and those of Central America in physical size, levels of socioeconomic development, and geographical position, most Central Americanists mostly turned elsewhere for theoretical inspiration.

The fact that the modernizing experiences of these South American countries did not seem particularly relevant to the study of authoritarian phenomena in the smaller and less economically developed countries of Central America led scholars in a number of different directions.¹⁰ The largest group, whom I will call the “militarists,” relied on various theories of Latin American militarism developed in the late 1950s and 1960s to explain the overwhelming predominance of military governments in the Central American region and by extension other authoritarian features of state-society relations there. A second group, the “exceptionalists,” developed rather idiosyncratic explanations for Central American authoritarian phenomena that were based on presumed basic differences with regard to the differences in the underlying regional political economy, or the distinct nature of the regional context. And an even smaller third group, the “corporatists,” attempted to apply corporate theory as it was beginning to be utilized in the study of the more economically advanced South American countries.

The “militarists” based their analysis of authoritarian phenomena in Central America on the work of such scholars as Samuel Huntington, Morris Janowitz, Edwin Lieuwen, and John Johnson.¹¹ The most influential of these was probably Huntington, who fully developed the concept of praetorian politics in his influential book *Political Order in Changing Societies*. Here he argued that the behavior of the armed forces in any given country could not be understood solely through the direct study of the armed forces themselves. Rather, what was needed was an extra-institutional or macrosocial “environmental” perspective that could identify the specific conditions that may prompt the military to enter the political arena.¹²

Huntington noted that many Third World countries (such as those in Central America) lacked well-developed political institutions that were sufficiently autonomous from various groups, classes, and other institutions within society to function in the larger public and national interest.

Lacking such institutions, politics takes on a praetorian cast, characterized by direct confrontations between different groups, classes, and institutions seeking to maximize their own discrete goals. From this perspective, the existence of authoritarian/corporate forms of political representation in countries such as Honduras, Nicaragua, and Panama was viewed as the product of a "governance vacuum" in poorly institutionalized systems that inevitably came to be filled by the military. For example, James A. Morris observed of Honduras:

The armed forces . . . became rulers under conditions of rapid social and economic change, unresolved shifts in political realignment, and new global relations. The disintegration of traditional social ties and mobilization during the 1950s and 1960s coincided with the decline or stagnation of traditional political institutions. . . . The political vacuum was gradually filled by the more confident military institution, which became less and less enchanted with civilian politicians and their ability to govern.¹³

While the "militarists" grounded their understanding of authoritarian phenomena in a belief that many similarities existed between the general conditions in Central America and those elsewhere in the developing world, the "exceptionalists" viewed the region as having unique characteristics that could be used to help explain the absence of democracy. Perhaps the most prominent of these scholars was Enrique Baloyra. Already a well-known expert on Venezuelan politics, Baloyra proposed use of the theory of "reactionary despotism" in the early 1980s to explain the peculiarities of authoritarian modes of political representation in a number of Central American countries.

Baloyra argued that the authoritarian political configurations that he observed in Central America differed significantly from those existing elsewhere in Latin America, but not because of smaller country size or less economic development. Rather, he saw these configurations as resulting from the creation during the late nineteenth century of oligarchic "coffee republics" whose pattern of export agriculture could be sustained only by the extreme coercion of rural labor. Baloyra further argued that the unique nature and position of the preexisting oligarchic coalition in these countries was such that it could not be transformed during the twentieth century through authoritarian populism or classical fascism as happened elsewhere in Latin America. The result, according to his analysis, was the relatively *sui generis* forms of authoritarian governance that he labeled "reactionary despotism."¹⁴

Another subgroup of academic “exceptionalists” sought an explanation for Central America’s authoritarian phenomena in the unique relationship between the region’s small states and its hegemon, the United States. After the Spanish-American War in 1898, various U.S. administrations concerned with national security and with protecting American investments regularly sent in the Marines to impose political order through the reconstitution of local military and police forces. According to this line of argument, locally trained military and police forces such as those in Nicaragua and Panama provided the institutional foundation for the authoritarian forms of politics that followed upon the heels of the U.S. military departure. The roots of authoritarianism and its qualitatively different nature were seen then as deriving from the fact that the United States had established constabularies (combined police and military forces) rather than true armies there.¹⁵

Finally, a small third group of “corporatists” sought to determine whether the new and exciting theories that were being applied to the study of political developments in South America had any applicability for Central America.¹⁶ For example, the author and a colleague attempted to discover whether corporate political practices existed in Honduras and, if so, whether they could be explained in terms of the then-fashionable theory of delayed dependent economic development. In this particular case, the study suggested that, while corporate practices definitely played a role in Honduran politics, there was little connection between the existence of these practices and dependent interstate relations within the world political economy.¹⁷

Why was corporate theory applied so little to the study of Central America during the 1970s and 1980s when it was all the rage for studying politics in the Southern Cone and Mexico? One reason may have been the belief that the more interesting and important variants of corporatism were to be found in the handful of Latin American countries with relatively large middle classes and economies that were beginning to industrialize very rapidly.¹⁸ For the smaller and still largely agricultural countries of Central America, it was perhaps felt, theories about “old-fashioned dictatorship” would suffice. Also, the Central American crisis of the 1980s became so intense and personally compelling that many experts who studied the region devoted more of their attention to day-to-day events than to efforts to develop grand theory.

Whatever the reasons for scholars’ past hesitancy to study Central American politics through the “lens” of corporatism, the result has been a

contemporary lack of understanding of how extensive the influence of corporate practices was historically and how omnipresent these still are today. Since corporatism was not much used as an explanation for political phenomena, few examples of corporate legal principle or practice were found. Thus, there has been little groundwork done for this effort to demonstrate the contemporary importance of corporate regimes in the Central American region.

“If It Looks Like a Duck and Quacks Like a Duck . . .”

Contemporary Manifestations of Corporatism in Central America

General Discussion

As the section above suggests, those of us who have spent much of our professional academic lives studying Central American politics have never relied very heavily on theories of corporatism to explain regional authoritarian patterns of state-society relations. Instead, we have historically tended to rely on theories about the behavior of military institutions in developing countries, and on various ideas about the uniqueness of Central America's domestic economies and relationship to a regional Great Power. And what was true some twenty-five years ago is truer today. The past several decades of democratic revival in the region have resulted in even less attention being paid to theories that purport to explain what are widely viewed as residual and hence inconsequential manifestations of authoritarianism such as corporate practices.

However, upon close examination, it becomes clear that corporatism is both present to a degree in contemporary Central America and also consequential for politics there. Not only is it present in the “new, mixed, and transmuted forms” that are noted by Howard Wiarda as existing elsewhere in Latin America, it is present in older traditional forms in certain Central American countries. Given this fact, it is important that I initially define what I mean by “corporatism” so as to be able to subsequently demonstrate the extent of its regional presence and attendant consequences.

Corporatism can be seen as resulting from the impulse existing within some governments to limit the associational autonomy of various groups (or emerging groups) within civil society.¹⁹ While those who believe in democracy view civil society as a fundamental source of political vitality

and hence as a place where groups should be allowed to freely form, combine, and dissolve according to perceptions of their own self-interest, corporatists tend to place their primary faith in the leading role of the state. As a repository of moral authority and hence legitimacy to act in the name of civil society, it is seen as legitimately authorizing various groups and societal interests through a series of complex legal mechanisms.²⁰

While corporatism has been viewed in a variety of different ways, I find it most useful for purposes of the following analysis to view it as a *particular type of regime structure*. In other words, regardless of how one views the *origins* of corporatism—the urge of governments to limit associational autonomy, the Iberic legal tradition, certain political cultures, particular types of socioeconomic crises—it manifests itself in the form of a certain type of “political architecture,” usually expressed as formalized legal rules. These rules in turn regulate the relationship between the existing government and groups within civil society.²¹

Those who are familiar with the classic literature on corporatism will recognize that this view concerning its nature fits rather closely with that of Philippe Schmitter: “Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, *recognized or licensed (if not created) by the state. . . .*”²²

Crucial to this structural definition of corporatism is the idea of the recognition and licensing of groups within civil society by government functionaries. Having its roots in Roman law’s “concession theory of association,” this view holds that the state takes moral and hence legal precedence over all the groups that individually and collectively make up civil society. As such, the state has the duty and obligation to determine which groups it will recognize as legitimately reflecting aspects of the larger state interests, values, and culture—and which it will not. In the Iberian tradition, such recognition is granted by government agents of the state in the form of *personería jurídica* (legal personality).²³

While this classic theory of corporatism is not much in vogue today, much of the recent scholarship on politics in Central America does in fact recognize the continued existence among elites of a tendency to think in terms compatible with the historical authoritarian/corporate model of politics.²⁴ Furthermore, it recognizes the continued existence of concrete manifestations of this tendency in the form of persistent authoritarian

enclaves, lack of civilian control over the military, and other political practices that are not consistent with full-fledged democracy. Nevertheless, I would argue that this scholarship does not do full justice to the extent and depth of regional authoritarian/corporate phenomena.²⁵

The primary reason for this lack of attention to corporate phenomena is surely the existence of a dominant theoretical paradigm for the study of Central American politics called “democratization.”²⁶ A product of the end of the Cold War and the euphoria that followed in its wake, the democratization paradigm is unidirectional and teleological—suggesting that there is a political endpoint that we can call “democratic consolidation.” This formulation allows little room for the application of concepts such as corporatism that are seen as falling in the domain of outmoded ideas useful only for explaining disappearing practices. And while it is true that scholars have developed some innovative concepts such as “delegative democracy” to explain contemporary authoritarian practices in some ostensibly democratic countries, these concepts can all be subsumed under the broader democratic paradigm, and thus assumed to be part of the larger democratization trend.

A second reason for this lack of attention to regional authoritarian/corporate phenomena is their changing nature. Since corporatism does indeed exist in what Wiarda calls “new, mixed, and transmuted forms,” it tends to be much less obvious to the academic observer than it was in the past. As will be discussed in more detail below, the corporate phenomena that we examined two decades ago were obvious to even the most casual observer of fundamental relations between major economic groups and the government. But today their more diffuse nature, ephemeral quality, and often transnational target groups make corporate relationships a much more difficult subject for academic study.

Finally, current scholarship does less than full justice to the extent and depth of regional corporate phenomena because it tends to focus on the short-term political practices of specific *governments* rather than on the long-term structure of political *regimes*. Thus, at one level, the question is asked whether a particular government is “engaging in democratic practices.” This question misses the more important point: whether such practices are being engaged in within a regime structure that is fundamentally democratic or fundamentally authoritarian.

As Fernando Enrique Cardoso pointed out in an essay written more than twenty years ago, the distinction between a particular type of regime

and the government that temporarily operates under its structural “umbrella” is a crucial one: “By ‘regime,’ I mean the formal rules that link the main political institutions (legislature to the executive, executive to the judiciary, and party system to them all), as well as the issue of the political nature of the ties between citizens and rulers (democratic, oligarchic, totalitarian, or whatever).”²⁷ From this perspective, then, an assessment of the degree to which corporatism exists within the various countries of Central America must begin with an assessment of such formal rules as they exist in constitutional and other form rather than with the actual democratic or authoritarian practices of specific governments.

Corporate Features of Central American Constitutions

Constitutions are written documents that form the legal foundation around which groups, including groups of people with similar ethno-national characteristics, organize for political purposes. As such, they contain the most basic and fundamental ideas about how these groups view the “proper” relationship between the government and civil society. In this sense, any written constitution has a particular type of regime (in Cardoso’s sense) embedded in its formal rules. A close reading of these constitutional rules should thus reveal whether the regime in a particular country is fundamentally democratic, corporatist, or something else.

When we look closely at Central American constitutions, we find that there are several subgroups of countries that are distinguished by the regime type that their constitutions establish. Panama and Nicaragua have constitutions that are explicitly corporate in nature, and that call for comprehensive licensing by the government (awarding of *personería jurídica*) to all groups within civil society. On the other hand, El Salvador and Honduras have constitutions that are more implicitly corporatist and/or establish corporate regimes that are more specifically structured. In these two cases, the explicit granting in the constitution itself of juridical personality to specific groups implies that all other groups must seek government recognition subsequent to initial adoption of the new constitution.²⁸ Finally, Guatemala and Costa Rica have constitutions that are not, even implicitly, as corporate in nature, although other features of the Guatemalan political system suggest that the country is not fully democratic.

Panama’s constitution is clearly the most corporatist of those existing in the six Central American countries. Article 39 reads: “Companies, as-

sociations, and foundations can be formed . . . and can obtain their recognition as legal entities. Such recognition will not be granted to associations inspired by ideas or theories based on the supposed superiority of a particular race or ethnic group, or that justify or promote racial discrimination. The recognition, rights, and internal management of these various societies and other licensed groups will be determined according to Panamanian law."²⁹ Beyond this general constitutional provision establishing a comprehensive state licensing system, juridical personhood is specifically granted to the University of Panama, the Electoral Tribunal, the Panama Canal Authority, and religious groups.

The fact that Panama has the most explicitly corporate constitution in Central America should come as no surprise to anyone familiar with the recent history of the country. This constitution was first promulgated in 1972 during the early years of a military government that ruled from 1968 until 1989.³⁰ Although Panama has had three successive democratic governments since the U.S. military invasion of 1989 and peaceful transfers of power through elections, the *constitutional regime* remains explicitly corporate. This is in large part due to the failure of the new democratic government to garner support for constitutional reforms that were roundly defeated in a 1992 referendum.³¹

Neither is it much of a surprise that Nicaragua's 1987 constitution is explicitly corporate in nature. The National Assembly drafted it during 1985 and 1986 when it was controlled by members of the revolutionary Sandinista National Liberation Front, a political party that had come to power in 1979 following the overthrow of Liberal dictator Anastasio Somoza Debayle.³² Although the Sandinistas were subsequently defeated in democratic elections held in 1990, their constitutional legacy was a document that contains a mixture of democratic and authoritarian/corporate provisions.

On the democratic side, Article 69 recognizes freedom of religion—"All people . . . have the right to express their religious beliefs in private or in public"—and Article 87 recognizes the right of workers to freely form unions "in conformity with the law." However, these and numerous other provisions upholding democratic rights are like small mushrooms growing in the larger "corporate shadow" of Article 138. This article states that one of the powers of the General Assembly is to "grant and cancel the juridical personhood of civil associations." To this author's knowledge, this makes Nicaragua the only country in all of Latin America where the

comprehensive power to license groups within civil society is specifically granted by the constitution to the national legislative body.³³

El Salvador's 1982 constitution also contains large numbers of democratic provisions that at first glance (and by extension) suggest the existence of a broadly overarching democratic regime structure. However, there are various corporate provisions in the constitution that upon closer examination yield a much more mixed picture. While El Salvador's corporate regime may be more implicitly embedded in various constitutional provisions and narrower in scope than those existing in Panama and Nicaragua, it is every bit as real.

With regard to religion, Article 26 states: "The juridical personhood of the Catholic Church is recognized. Other churches can have their status recognized in conformance with the law."³⁴ The fact that the Catholic Church is the *only* institution specifically exempted from having to apply to the government for legal recognition suggests several things. First, it suggests the integral and indeed "foundational" role that the Catholic Church plays in El Salvador's sense of national identity. Secondly, and through the omission of any discussion of other institutions and groups within civil society, it suggests the breadth and scope of the other groups to which the government has the right to apply corporate ideas concerning legal recognition.

If the Catholic Church is explicitly exempted from the requirement that it obtain legal recognition from the government, it is the labor sector that is most explicitly required to submit to this corporate process. Article 47 stipulates that workers have the right to free association in order to defend their interests and the right to obtain legal recognition from the government in conformance with the law.³⁵ The law—in this case the Salvadoran Labor Code—in turn suggests that legal recognition can be obtained by any union requesting it from the Ministry of Labor. And indeed this process does not appear to be a very onerous one when compared with the "normal" amount of bureaucratic red tape that one finds in many other Latin American labor codes.³⁶

Like the Salvadoran case, Honduras's 1982 constitution appears on the surface to be quite democratic. However, just as with El Salvador, an explicit grant of legal recognition to one particular institution implies that institutions and groups not included are excluded and must apply for it. The Honduran constitution does not award primacy in the religious domain to the Catholic Church. Article 77 states: "The free exercise of all

religions . . . is guaranteed without preeminence given to any particular one." Here, however, it is the Universidad Nacional Autónoma de Honduras that is singled out for such special treatment. Article 160 states that the National University "is an autonomous state institution with legal personhood that enjoys the exclusive right to organize, direct, and develop professional and higher education." All private universities are to be regulated by a special law.³⁷

Honduras provides us with an example of a country where, despite the absence of explicitly corporatist provisions in the national constitution, corporate licensing practices are almost universal. For example, the Ministry of Government and Justice has in recent years granted legal recognition (*personería jurídica*) to a number of labor unions and indigenous groups, and has slowed the process or outright denied it to others. And in Honduras it is not unusual for the government to threaten to cancel the existing legal recognition of groups that have become vexacious.

Finally, Guatemala and Costa Rica have constitutions that contain very few explicit or even implicit references to classic corporate principles. Aside from the fact that the Guatemalan constitution makes an "organic statist" reference to the country as "united and solidary"—a very understandable provision in a highly multiethnic country—there is little to suggest that it has a corporatist cast to it.³⁸

Nonetheless, Guatemala's current political regime is one that could at least minimally be described as "corporatism light." As Robert Trudeau has noted, the political party system has become an absolutely critical access point for the eventual accrual of real power by both economic class-based and ethnic identity-based movements. Consequently, elites have viewed it as in their interest to highly regulate this political gateway through the use of corporate licensing practices. Guatemala's Law of Political Parties requires that groups wishing to be recognized undergo a thorough screening. And absent the subsequent granting of legal recognition, they not only are denied participation in the democratic system but also become vulnerable to charges of criminal behavior.³⁹ Furthermore, there is extensive use of corporate licensing practices in the labor sector, even though recent changes in the labor code have rendered the process of applying for legal recognition considerably less onerous than it was in the past.

And what about Costa Rica, the so-called Switzerland of Central America?

Here we clearly have the Central American country whose political regime is the least grounded in corporate philosophy and practice. No religion is privileged over any other with regard to its right to free practice, although Catholicism is recognized as the official state religion.⁴⁰ And although the concept of *personería jurídica* lies at the core of the legal philosophy that guides labor-management relations, the labor code itself is a balanced document showing no preference for any particular group.⁴¹ Since even the most democratic countries in the world have some licensing practices for both groups and individuals, Costa Rica's political regime would have to be judged democratic by global standards.

In sum, despite the universal existence of democratic governments, the various Central American countries have political regimes that range from purely corporate (Panama and Nicaragua) through more mixed systems (El Salvador, Honduras, and Guatemala) to one purely democratic regime (Costa Rica). Most striking in this regard is how many of these regimes are either purely corporate in nature or mixed, the literature on the "march" of Central American countries toward democracy notwithstanding. The difficulty in recognizing these regimes for what they are lies partly in what one astute observer called "the fallacy of electoralism."⁴² Healthy party systems and free and open elections have been viewed as such a critical aspect of democracy that the presence of these democratic phenomena in all Central American countries has tended to obscure the existence of a wide range of authoritarian characteristics and practices at other levels and in other spheres of activity.

Modern Central American Corporatism in Action

The New Domestic and Transnational Environment

The various corporate and quasi-corporate regimes that exist today in most Central American countries provide the normative and legal framework within which governments confront a much broader range of different actors and problems than such governments would have confronted a short three or four decades ago. In the 1960s and 1970s, "classic" corporate regimes were designed to provide both inducements and constraints for key economic actors within society such as industrial labor unions and peasant organizations. Corporate regime structures allowed governments not only to reward such actors with legal recognition, attendant social

benefits, and minimally acceptable standards of living but also to punish them when state interest demanded it.⁴³ The relative stability of economic coalitions during those earlier decades allowed for the development of a corporate form of interest intermediation that was itself rather stable and predictable in its outcomes.

Today's domestic context differs from that of the past in a number of important respects. First, while traditional economic actors such as industrial labor unions and peasant organizations still play an important role within civil society, rapid globalization of Central American economies has led to pressures for the organization and legal recognition of workers in the nontraditional labor sector.⁴⁴ Over the past several decades, Asian small businessmen have created hundreds of thousands of new jobs in so-called *maquiladora* plants producing clothing and other light manufactured goods for export to the United States. For purposes of assessing the modern role of corporatism in Central America, it is important to note that these *maquiladora* plants are part of much larger global commodity chains that link suppliers to multinational apparel firms such as the Gap and Liz Claiborne.⁴⁵

Second, a plethora of new identity-based domestic actors have emerged in recent years who have little or nothing to do with the old class-based labor sector. Usually referred to as "new social movements," they include a wide range of groups—indigenous peoples, feminists, environmentalists, human rights advocates, gays. Defined partly in terms of their ability to resist inclusion in the political process through traditional forms of representation such as political parties, they have additional characteristics that render them more problematic for governments to deal with.⁴⁶

Most important in this regard is the fact that these new social movements are often embedded in much larger transnational webs of interaction and processes of collective identity formation. These webs normally coalesce around nongovernmental organizations (NGOs), organizations that frequently rival multinational corporations in the vast scale of their economic and organizational resources. Margaret Keck and Kathryn Sikkink have referred to these large transnational webs as "principled-issue networks" because of their tendency to be constructed primarily around the beliefs of like-minded individuals.⁴⁷ While it is true that "classic" domestic actors such as industrial labor unions frequently maintained ties to external groups, the density of these ties in the case of new social movements appears to require a different way of thinking about how they

function and how they are transforming processes of group representation within the political systems of various countries.

Government Use of Corporate Regimes to Expand “Capture Capacity”

During the 1990s the rapidly changing nature of the actors with whom Central American governments had to deal in order to maintain their own domestic control and influence led to an overall expansion of the range of those to whom the traditional rules and regulations concerning legal recognition were applied. While there was no change in the extent to which *personería jurídica* was required for workers attempting to organize in existing industrial plants, corporate practices were also used to control this process in the emerging *maquiladora* sector. Additionally, Central American governments used the process of legal recognition, as well as the threat of its revocation, as a way of disciplining new social movements and their allies within the broader global community.

In its crudest form, corporate practices such as delaying and/or denying a labor union legal recognition merely served as a backup—a “court of the last resort,” if you will—to traditional forms of intimidation and repression. For example, when Guatemalan workers at several Korean-owned *maquiladora* plants that produced clothing for Liz Claiborne requested public recognition of their two unions, leaders received death threats, and hired agents disrupted their meetings.⁴⁸ Under such circumstances, where management is regularly allowed and even tacitly encouraged to deal with labor problems in its own ways, there is little need for the application of the government’s corporate rules and regulations. In Guatemala such strong-arm practices coupled with the sparing, judicious use of rules concerning the granting of *personería jurídica* had resulted in the legal recognition of only four unions in the large *maquila* sector by 1996.⁴⁹

A somewhat more subtle example of government use of *personería jurídica* to control labor organizing processes can be found in the case of a Taiwan-owned *maquiladora* in Honduras that supplies clothing for Phillips–Van Heusen. Workers at the Yoo Yang plant first requested recognition of their union from the Labor Ministry in August of 1999. When they returned a month later to ascertain the status of their request, they were told that it included serious errors of omission. They were then asked to sign documents requesting withdrawal of their union application, an action that they later found required reauthorization of the appli-

cation by their union's general assembly. Through the repetition of such acts of legal obfuscation and chicanery, the process of obtaining legal recognition was lengthened by months.⁵⁰

The movement during the 1990s for privatization of government-owned companies in the wake of neoliberal economic reforms also led to the broader application of corporatist formulas for legal recognition. Take the case of France Télécom. When El Salvador's government-owned telecommunications company was privatized in 1998 and sold to France Télécom, workers attempted to organize a union. Not only did their request for recognition suffer endless delays at the hands of functionaries within the Ministry of Labor, but France Télécom also fired some of the leaders of the organizing efforts.⁵¹

In the labor sector, then, we can see a pattern in which various Central American governments have used traditional corporate practices associated with the granting of legal recognition or threat of its revocation in an attempt to control or manipulate a whole new group of emerging economic actors. The larger phenomenon driving this attempt to maintain a degree of government control over core domestic economic activities would appear to be the process of economic globalization and its attendant creation of new offshore production facilities throughout Central America.

Equally common is government use of traditional rules and regulations concerning legal recognition to attempt to influence the activities of the new identity-based social movements. This practice seems to be particularly common in countries where relatively weak governments confront powerful new transnational actors such as NGOs that are in possession of substantial economic resources. In Honduras, for example, the granting, withholding, and threat of revoking legal recognition is regularly used not only to influence the behavior of religious, indigenous, and human rights organizations but also to access resources at the global level.⁵²

The case of acquiring legal recognition for the Tawahka Indians' environmental foundation Asociación Asang Launa is particularly interesting because it demonstrates the interplay between plurinational domestic actors, global forces, and a particular Central American government. During the early 1990s the Tawahka tribe had been affiliated with the Confederation of Autochthonous Peoples of Honduras (CONPAH), an organization that was dominated by much larger ethnic groups. Hoping to independently take advantage of new property rights granted to them

by the Honduran government and of funds available for sustainable development projects from a German foundation, the Tawahkas applied for legal recognition of their own environmental foundation, Asang Launa. In this high-stakes case, with the potential for obtaining substantial external funding for state development activities, the government quickly granted legal recognition to Asang Launa.⁵³

A second case demonstrates how the government can use legal recognition as a means of disciplining human rights organizations. Covenant House (Casa Alianza) was an extremely active NGO during the 1990s throughout Central America in defending the human rights of street children.⁵⁴ In Honduras, Covenant House's numerous charges of criminal wrongdoing against local authorities led not only to personal threats directed at its representatives but also to threats by public officials to cancel the NGO's legal recognition.⁵⁵

Delaying the process of granting legal recognition can also serve as a potent government tool for slowing the growth of social movements by denying them access to resources that are normally available once *personería jurídica* is obtained.⁵⁶ A good example of this practice comes from El Salvador, where the government was successful for years in limiting the influence of the Christian Popular Committees in Support of the Displaced in El Salvador (CRIPDES). These committees, an outgrowth of the need after the civil war in the 1980s to find a way of reintegrating large numbers of displaced people into civil society, were viewed by the government as too closely allied with the former guerrillas and with the reform wing of the Catholic Church. As a result, only a small fraction of them had been granted recognition by the mid-1990s.⁵⁷

Finally, there are the revealing attempts by various Central American countries to "capture" and control new gender-based social movements. As discussed above, Panama has the best-developed corporate regime structure in all of Central America. And the government has struggled to maintain control over the domestic social realm in the face of efforts by gay and lesbian groups to have their rights recognized. Formed in 1998, the New Men and Women Association of Panama (AHMNP) requested legal recognition from the Ministry of Government and Justice the following year. The request was subsequently denied on the basis of Article 39 of the constitution, which permits the recognition solely of "companies, associations, or foundations that are not contrary to moral or legal order."⁵⁸

These and various other cases involving attempts by Central American

governments to control identity-based social movements using traditional corporate practices suggest that the nature of these movements and their unwillingness to be channeled into traditional political parties make them much more difficult candidates for subordination to government-regulated networks. As a consequence, Central American governments face some new and demanding challenges that will briefly be discussed in "Conclusions" below.

Conclusion

The historical debate of the 1970s and 1980s concerning the role of corporatism as one form of interest-group politics had remarkably little impact on the study of Central America, for reasons including the sense among the small community of Central Americanists that the countries they studied were relatively unique in physical size, geographical position close to the regional hegemon, and modernizing experiences. This neglect of the corporate approach grew even more pronounced during the 1990s, when all authoritarian forms of rule and practice, including corporatism, were viewed as in full retreat not only regionally but globally.

This tendency to ignore the historical and contemporary role of corporatism in Central American politics is unfortunate because it creates the impression that countries in the region have moved farther along the path toward democracy than is actually the case. It also suggests, to the observer who uses nothing but the democratic theoretical "lens" to examine political developments in the region, that any aspects of corporate legal form or practice that he/she uncovers can be treated as remnants of a quickly vanishing authoritarian past. In other words, corporatism is a residual phenomenon whose continued existence in partial and attenuated form can even be used to *confirm* the "march toward democracy."

To the contrary, I argue, corporatism has historically played and continues to play a much more integral and important role in Central American politics than the literature on the subject suggests. In focusing its attempts to assess the democratic or authoritarian nature of Central American countries—elections, presidential behavior, and so forth—primarily if not exclusively on the day-to-day activities of governments, this literature has largely neglected the role played by overarching regime structures. As the foregoing analysis suggests, these regime structures as inscribed in many Central American constitutions often put stringent lim-

its on free associability and hence limits on the extent to which democratic government *per se* really matters.

Today, Central American governments exist in a new and rapidly changing domestic and global context. Whereas "classic" authoritarian governments attempted to control and co-opt a rather small group of economic actors and to deal skillfully and creatively with their powerful neighboring state to the North, the newly democratic ones face a much different challenge. How are they to deal not only with the plethora of new domestic actors associated with the process of economic globalization but also with a range of new identity-based social movements that maintain powerful ties to the emerging global human rights and environmental communities? And, more specifically, how are these governments to maintain their legitimacy, strength, and autonomy in a democratic setting that seems to require of them complete obedience to the principles of economic neoliberalism and of unlimited, and globalized, free associability?⁵⁹

Central American governments appear to be using existing corporate regime structures to meet these challenges in new and imaginative ways. For example, the Honduran government's eventual recognition of the Asociación Asang Launa shows how public officials can use corporate licensing practices to control the nature and pace of NGO-driven development processes. It has also used the threat of canceling Casa Alianza's legal recognition in an attempt to discipline the human rights NGO and reduce its criticism of local authorities. Finally, the case of CRIPDES in El Salvador demonstrates how a government can, by slowing the pace of legal recognition, withhold access to resources from a large domestic movement with goals antithetical to its own.

The power of governments in even the smallest countries of Central America to discipline NGOs that are perceived to be undermining state interests is greatly enhanced by the fact that these NGOs have no legal standing within the broader international community. As the Westphalian system, accepted since the seventeenth century, is based on the recognition of states as the central actors, NGOs have no alternative but to seek recognition under the laws of individual countries. This suggests that corporate regime structures may remain an important instrument for enhancing the legitimacy, strength, and autonomy of Central American states until such time as there is a significant change in international law as it relates to the legal standing of NGOs.⁶⁰

Although such state-level corporate practices are often viewed as of necessity harmful to democracy, they could also be viewed as a useful supplement to it during a period when poorly institutionalized democratic governments are facing challenges emanating from rapidly changing domestic and global settings. While it is true that governments can certainly misuse the corporate authority vested in them by their constitutions, it can also be used to help maintain a necessary degree of state strength and autonomy in the face of problems that can potentially be created by civil society's "dark side."⁶¹ Strong states are undoubtedly not the answer to all problems, but many recent events have just as clearly demonstrated that weak or failed states cannot solve problems of development, protect the environment, or defend human rights.⁶²

Corporate regime structures exist in most Central American countries. The only real question in this regard is the purposes to which these structures will be put by regional governments. In the best-case scenario, they will be used to provide alternative routes for the societal incorporation of new identity groups that do not feel comfortable in the traditional political arena, and to moderate the pace of social inclusion during a time of rapid change. At worst, these regimes will serve as the philosophical pretext and legal underpinning for a return to old forms of authoritarian government or for the emergence of inventive new ones. In either case, corporate regime structures will certainly play a role in Central America's immediate political future.

Notes

1. As the astute reader will note, my definition of "Central America" (Guatemala, Nicaragua, El Salvador, Honduras, Costa Rica, and Panama) is primarily based on the common geographical location of the included states on the Isthmus of Central America. I exclude Belize from this definition because of its historically close political and cultural ties to Great Britain, and in spite of the fact that it has been an independent state for more than twenty years.

2. The regional crisis began in Nicaragua in 1979 when the right-wing authoritarian government of President Anastasio "Tachito" Somoza was overthrown by the Marxist FSLN (Sandinista National Liberation Front). Combined with increasingly bloody civil wars in Guatemala and El Salvador between right-wing governments and left-wing guerrilla movements, the Nicaraguan conflict thrust Central America into the international spotlight as one of the key battlegrounds of the Cold War.

3. On the specifics and peculiarities of the Panamanian case as they relate to the

installation of democracy there, see Steve C. Ropp, "The Bush Administration and the Invasion of Panama: Explaining the Choice and Timing of the Military Option," in *United States Policy in Latin America: A Decade of Crisis and Challenge*, ed. John D. Martz (Lincoln: University of Nebraska Press, 1995).

4. Quite pessimistic assessments of the long-term prospects for democracy in Central America include John Peeler, "Elites and Democracy in Central America," in *Elections and Democracy in Central America, Revisited*, ed. Mitchell A. Seligson and John A. Booth (Chapel Hill: University of North Carolina Press, 1995), and Terry Lynn Karl, "The Hybrid Regimes of Central America," *Journal of Democracy* 6, no. 3 (1995).

5. Thomas W. Walker and Ariel C. Armony, eds., *Repression, Resistance, and Democratic Transition in Central America* (Wilmington, Del.: Scholarly Resources, 2000), xi.

6. Ariel C. Armony, "Conceptual Issues on Democratization in Central America," in Walker and Armony, *Repression, Resistance*, 255.

7. James M. Malloy, "Authoritarianism and Corporatism in Latin America: The Modal Pattern," in *Authoritarianism and Corporatism in Latin America*, 3 (Pittsburgh: University of Pittsburgh Press, 1977).

8. This group of scholars included most prominently Malloy, Philippe C. Schmitter, Alfred Stepan, and Howard J. Wiarda. Their most influential early works include Malloy's *Authoritarianism and Corporatism*, Schmitter's *Interest Conflict and Political Change in Brazil* (Stanford: Stanford University Press, 1971), Stepan's *The State and Society: Peru in Comparative Perspective* (Princeton: Princeton University Press, 1978), and Wiarda's "Toward a Framework for the Study of Political Change in the Iberic-Latin Tradition: The Corporative Model," *World Politics* 25, no. 2 (1973): 206-35.

9. For example, in Malloy's seminal edited text *Authoritarianism and Corporatism in Latin America*, there is not a single indexed reference to Central America or any of the individual Central American countries.

10. For a general summary of these three different approaches, see Steve C. Ropp, "Teorías sobre el comportamiento de los militares Centroamericanos," *Estudios Centroamericanos* 41, nos. 451-52 (1986).

11. Key written works in this regard included Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968); Morris Janowitz, *The Military in the Political Development of New Nations* (Chicago: University of Chicago Press, 1964); Edwin Lieuwen, *Arms and Politics in Latin America* (New York: Praeger, 1960); and John J. Johnson, ed., *The Role of the Military in Underdeveloped Countries* (Princeton, N.J.: Princeton University Press, 1962).

12. Huntington, *Political Order*, 196.

13. James A. Morris, *Honduras: Caudillo Politics and Military Rulers* (Boulder: Westview Press, 1984), 84.

14. Enrique A. Baloyra, *El Salvador in Transition* (Chapel Hill: University of

North Carolina Press, 1982). Baloyra believed these “coffee republics” were the result of a late-nineteenth-century economic transformation that came with the introduction of coffee as a commercial export crop and the attendant emergence of a Liberal coffee oligarchy that quickly marginalized more traditional rural elites, the Catholic Church, and the small merchant class. The new oligarchy “consisted primarily of the officers of the liberal armies, politicians, middlemen connected to these two groups, the ladino upper middle class and, in the case of Guatemala, German immigrants” (299).

15. See, for example, Richard Millett, *Guardians of the Dynasty: A History of the U.S.-Created Guardia Nacional de Nicaragua and the Somoza Family* (Maryknoll, N.Y.: Orbis, 1977).

16. The pioneering figure in this regard was Roland Ebel, who discussed the nature of the semicorporative relationships that elites maintained with their respective Central American nation-states; see “The Development and Decline of the Central American City State,” in *Rift and Revolution: The Central American Imbroglia*, ed. Howard J. Wiarda, 82 (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1984).

17. For other attempts to apply corporate theory to Central America, see James A. Morris, “Honduras: A Unique Case?” and Steve C. Ropp, “Panama’s Domestic Power Structure and the Canal: History and Future,” both in *Latin American Politics and Development*, ed. Howard Wiarda and Harvey F. Kline (Boston: Houghton Mifflin, 1979).

18. A new theory about the origins and characteristics of this particular variant of corporatism was developed and called “bureaucratic authoritarianism.” The best account is Guillermo A. O’Donnell, *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics* (Berkeley: University of California, Institute of International Studies, 1973).

19. David Collier, in “Trajectory of a Concept: ‘Corporatism’ in the Study of Latin American Politics,” in *Latin America in Comparative Perspective: New Approaches to Methods and Analysis*, ed. Peter H. Smith (Boulder: Westview Press, 1995), argues that “the central role of the state in structuring group politics has been reflected in the recurring tendency over many decades for new groups and new demands to be subordinated to state-regulated networks of group representation and state-established frameworks for demand making.”

20. An excellent description of the philosophical underpinnings of the corporate approach to politics can be found in Stepan, *The State and Society*, 26–45.

21. *Ibid.*, 45–72.

22. Philippe C. Schmitter, “Still the Century of Corporatism?” in *The New Corporatism: Socio-Political Structures in the Iberian World*, ed. Frederick B. Pike and Thomas Stritch, 93–94 (Notre Dame, Ind.: University of Notre Dame Press, 1974), italics added.

23. Stepan, *The State and Society*, 37–38.

24. For example, some scholars have noted a tendency for Central American elites to pay lip service to democracy by allowing elections to be held that liberalize

politics without necessarily democratizing them. Under such circumstances, more democracy can be viewed as an instrumental tool for serving the larger goal of preserving larger essentially authoritarian regime structures. See Seligson and Booth, *Elections and Democracy*, 9.

25. Karl, "Hybrid Regimes," 80.

26. For a concise and insightful discussion of the problems of conceptualization and definition that continue to plague those who use this paradigm, see David Collier and Steven Levitsky, "Democracy with Adjectives: Conceptual Innovation in Comparative Research," *World Politics* 49, no. 3 (1997): 430–51.

27. Fernando Henrique Cardoso, "On the Characterization of Authoritarian Regimes in Latin America," in *The New Authoritarianism in Latin America*, ed. David Collier, 38 (Princeton, N.J.: Princeton University Press, 1979).

28. This is not to say that governments will actually *require* all groups and institutions within civil society to gain recognition. What is important in this regard is the logical implication of various constitutional provisions that the government can legitimately claim such authority over all groups.

29. *Constitución Política de Panamá, con Reformas hasta 1994*. This and the other constitutions cited below may be found through www.georgetown.edu/pdba/Constitutions/constudies.html.

30. For a discussion of the nature of this regime and its long duration, see Steve C. Ropp, "Explaining the Long-Term Maintenance of a Military Regime: Panama before the U.S. Invasion," *World Politics* 44, no. 2 (1992).

31. Orlando J. Perez, "Elections under Crisis: Background to Panama in the 1980s," in Seligson and Booth, *Elections and Democracy*, 136.

32. Shelley A. McConnell, "Institutional Development," in *Nicaragua without Illusions: Regime Transition and Structural Adjustment in the 1990s*, ed. Thomas W. Walker, 46–47 (Wilmington, Del.: Scholarly Resources, 1997).

33. *Constitución de Nicaragua de 1987, con Reformas de 1995* (see note 29).

34. *Constitución Política de la República de El Salvador de 1983, actualizada hasta reforma . . . del 06.07.2000* (see note 29).

35. *Ibid.*

36. *Código de Trabajo de El Salvador*, accessible through www.oit.or.cr/mdtsanjo/nit/codigos.shtml.

37. *Constitución de la República de Honduras, 1982: Con Reformas hasta el Decreto 2 de 1999* (see note 29).

38. *La Constitución Política de la República de Guatemala, 1999*. See www.georgetown.edu/pdba/Constitutions/constudies.html.

39. Robert H. Trudeau, "Guatemala: Democratic Rebirth?" in *Latin American Politics and Development*, ed. Howard J. Wiarda and Harvey F. Kline, 5th ed., 504 (Boulder: Westview Press, 2000).

40. *Constitución Política de la República de Costa Rica de 1949, actualizada con la Reforma 8106/2001* (see note 29).

41. *Código de Trabajo de Costa Rica*, accessible through www.oit.or.cr/mdtsanjo/nit/codigos.shtml.

42. Karl, "Hybrid Regimes," 73.

43. David Collier, "Inducements versus Constraints: Disaggregating Corporatism," *American Political Science Review* 73, no. 4 (1979).

44. Globalization is of course only the most recent manifestation of Latin America's long-standing historical involvement with global economic actors. Alfred Stepan noted long ago that the most difficult challenge faced by corporatist societies in Latin America following World War II was how to manage the multinational corporation; see *The State and Society*, 43 n.

45. Steve C. Ropp, "Beyond Coffee and Bananas: Asian Investment in the New Central America," *Current History* 97, no. 616 (1998).

46. Arturo Escobar and Sonia E. Alvarez, eds., *The Making of New Movements in Latin America: Identity, Strategy, and Democracy* (Boulder: Westview Press, 1992), 5-8.

47. Margaret E. Keck and Kathryn Sikkink, *Activists beyond Borders: Advocacy Networks in International Politics* (Ithaca, N.Y.: Cornell University Press, 1998), 30. For a discussion of how these networks operated in the Guatemalan case of human rights, see Stephen C. Ropp and Kathryn Sikkink, "International Norms and Domestic Politics in Chile and Guatemala," in *The Power of Human Rights: International Norms and Domestic Change*, ed. Thomas Risse, Stephen C. Ropp, and Kathryn Sikkink (Cambridge: Cambridge University Press, 1999).

48. "Guatemalan Maquila Workers Attacked!" Campaign for Labor Rights Labor Alert, posted July 22, 2001, to the Central American Discussion List, centam@listserv.acsu.buffalo.edu.

49. "U.S./GLEP's Phillips-Van Heusen Campaign Testing a New Model of Solidarity in Action," Campaign for Labor Rights PHV background, posted September 19, 1996, as above.

50. "Maquila Workers Ask for Your Support," U.S./Labor Education in the Americas Project, www.cleanclothes.org/urgent/00-03-09.htm.

51. However, in this particular case, it was actions by the Salvadoran government itself that finally led to recognition of the new union. The Supreme Court ruled in October 2000 that the Ministry of Labor had erroneously denied the union *personería jurídica*, and it was subsequently granted. See U.S. Department of State, *Country Reports on Human Rights Practices: El Salvador—2000* (Washington, D.C.: U.S. Department of State, 2001), and "France Telecom 'Violating Workers' Rights' in El Salvador," Union Network International press release, December 5, 2000, www.union-network.org/uniinfo.nsf/.

52. While considerations of space do not permit me to fully elaborate, the use of corporate regime structures and practices in Nicaragua under the government of President Arnoldo Alemán to control the NGO sector is also extremely interesting. Sometimes described as a neoliberal populist, Alemán (1997-2002) used Nicaragua's corporate regime structures and associated practices such as "rolling audits" to curb the influence of actors that he viewed as too closely tied to the previous Sandinista government. See Karen Kampwirth, "Arnoldo Alemán and the New Populism: Taking on the NGOs" (paper delivered at the annual meeting

of the Latin American Studies Association, Washington, D.C., September 6–8, 2001).

53. Wendy Griffin, "Tawahkas Begin to See Fruits of 10 Years Labor," *Honduras This Week*, January 12, 1998, www.marrder.com/htw/Jan98/national.htm. However, it is interesting to note that the Honduran government eventually granted recognition to a foundation (a development entity) rather than to the Tawahka ethnic group itself. This may have been a tactical move by the government to limit the proliferation of legally recognized ethnic groups.

54. These are children who live on the streets of various Latin American countries and are often subject to abuse and even occasionally assassination at the hands of the police.

55. "Bruce Harris Discusses the Street Children in Latin America," part 4, Covenant House, www.covenanthouse.org/who/who_pre/who_pre_06_4.ht.

56. Among other things, legal recognition may be necessary in order for groups to use domestic bank accounts, receive funds from both domestic and international sources, and sign agreements with second parties.

57. "Gaining Legal Status," Oxfam Community Aid Abroad, 1994 Program Review, www.caa.org.au/world/1994review/gaining.html.

58. As of this writing, AHMNP was appealing its case to the Ministry of Government and Justice based on various provisions of international human rights law. See "Support the Legal Registration of Panama's First Lesbian and Gay Association," IGLHRC World Watch, www.iglhrc.org/php/section.php?id=5&detail=224.

59. Susan Strange, in *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge: Cambridge University Press, 1996), 52–53, argues that the neoliberal economic policies that are required for states to compete successfully in the world economy, coupled with the shift from industrial to service activities, have undermined corporatist power structures throughout the world and also traditional political parties. Thus, these Central American cases are a subset of a much broader and frequently discussed phenomenon.

60. Frits Hondius, "Recognition and Protection of NGOs in International Law," *International Journal of Not-for-Profit Law* 2, no. 2 (2000), www.icnl.org/journal/vol2iss2/frits.htm.

61. Patricia Richard and John Booth argue that not all associational activity within civil society is by definition a good thing, as some can involve violent confrontational forms of undemocratic behavior. This is the "dark side" of increasing participation. See Patricia Bayer Richard and John A. Booth, "Civil Society and Democratic Transition," in Walker and Armony, *Repression, Resistance*, 234.

62. Risse, Ropp, and Sikkink, *Power of Human Rights*, 277.

Conclusion

New Directions in Research, Theory, and Policy

Howard J. Wiarda

Democracy is in deep trouble in Latin America, and part of the reason lies in the shifting models, or paradigms, used to analyze and interpret the area. Public opinion surveys indicate that in almost all countries support for democracy and democratic institutions—political parties, legislatures, labor unions, government officials—is way down from what it was a decade or so ago, in many countries dropping from 80–90 percent in the 1980s and early 1990s to below 50 percent today and in some key countries to below 40 percent. Elected governments have not delivered on their promises; social gaps are widening; economies are foundering; and popular disillusionment with democracy is widespread.

In some countries the desire for “strong government,” which can in the best light be interpreted as a preference for effective government but may also signal a desire for renewed top-down rule, is equal to or even greater than the desire for democracy. In *all* countries of Latin America, democracy is considerably less popular than it once was and the “evil option” of authoritarianism is once again rearing its ugly head. This may take the form of populist authoritarians like Alberto Fujimori in Peru or Hugo Chávez in Venezuela, actual or threatened military coups as in Paraguay and Ecuador, or popular uprisings that overthrow elected governments as in Argentina or, again, Venezuela. None of these scenarios augurs well for democracy.

For the last twenty years or so, the dominant and virtually only paradigm has been the transitions-to-democracy approach. It largely replaced the approach widely used in the 1970s that suggested that Latin America

was locked into a pattern of authoritarianism and corporatism. As the region began to democratize or return to democracy in the late 1970s and early 1980s, this new paradigm, the transitions-to-democracy approach, gained favor. It has been the dominant paradigm used by both scholars and foreign policy officials since that time, to the neglect of other but still useful approaches. As one well-known but overstated catchphrase put it, democracy became “the only game in town.” Or so it seemed, superficially.

Two very large assumptions accompanied the transitions-to-democracy approach. The first was that the transition would be unilinear, one-way, irreversible, and complete, converting Latin America into full, genuine, and liberal democracies. But it is obvious, as all the chapters in this book make clear, that this assumption has not been fulfilled; most countries of the region still practice partial, limited, incomplete, controlled, mixed, delegative, electoral, or illiberal forms of democracy—“democracy with adjectives,” as it is often called. Second, the assumption was made that—since authoritarianism and corporatism were so closely interrelated in the past—once authoritarianism was vanquished, corporatism would surely disappear as well in favor of liberalism, pluralism, and a regime of free associability. But that assumption has not proven valid either, and therefore we need to disaggregate these two terms. For while the most blatant forms of authoritarianism have been supplanted in Latin America, at least at the national level, corporatism has shown in most countries quite remarkable persistence and continuity, even under more democratic regimes.

It seems possible to speculate at this stage that the prospects and possibilities for liberal American-style democracy in Latin America were oversold, overhyped, and overinflated initially. The assumption was that, once authoritarianism had been ousted, democracy would emerge full-blown, as if Latin America were a *tabula rasa* with no previous history, culture, sociology, institutions, and politics that would limit, compromise, or perhaps frustrate its democratic prospects. Commentators and even scholars allowed their hopes, wishes, and aspirations for the region to outstrip its realistic possibilities. By focusing almost exclusively on Latin America’s democratic transitions, we ignored those features of the area that are not particularly democratic. This book, therefore, while remaining hopeful regarding democracy in the region, serves as a corrective to the earlier transitions-to-democracy approach by emphasizing the mixed, fused, hy-

brid nature of the Latin American political process—combining authoritarian and democratic, liberal and corporatist features, old and new—and the incompleteness of the transition.

Democracy and Its Discontents

One needs, of course, to distinguish between the various Latin American countries and the level or degree of institutionalization of their democracies.¹ By every measure, Costa Rica, Chile, and Uruguay are the best and most consolidated democracies in the region—as solidly democratic as are most of the western European countries. If democracy can be correlated with levels of social and economic development, Argentina, Panama, and Venezuela should also be solidly democratic by now, but they are not and, indeed, are today among the most fragmented, disintegrated, and precarious of democracies. Among the less-developed countries, Bolivia, Paraguay, Peru, Ecuador, Nicaragua, Honduras, Guatemala, El Salvador, Haiti, and the Dominican Republic are all weakly institutionalized and still shaky democracies. Colombia is torn by conflict and almost civil war. Important Mexico, right on our very porous border, has been a democracy (a partial one—again, democracy with adjectives) for only four years. Argentina, Ecuador, Paraguay, and Venezuela have all had coups of different kinds recently, though efforts were made to disguise these so as to preserve a democratic facade.

The mantra at the official policy level in Washington is that nineteen of the twenty Latin American countries, or thirty-four of thirty-five if one includes the Caribbean, are democratic. Therefore, there is little need to pay them serious attention or afford them high priority. But these numbers are based solely on the fact that, excepting Cuba, the Latin American countries are “electoral” or “formal” (once more the adjectives) democracies, not necessarily true, liberal, or pluralist democracies. The actual situation is much more complicated—and discouraging for the supporters of democracy in Latin America—than this almost bumper-sticker-level “nineteen of twenty democratic” portrayal suggests.

This is not meant to be a detailed study of democracy in Latin America, but we do need to understand democracy’s current precarious position in order to understand both the attractiveness of its alternative, “strong government” or corporatism, and the persistence of authoritarian and corporatist practices even in the midst of what is supposed to be democracy’s triumphant movement. Let us begin with the survey data.

If one asks Latin Americans what kind of government they prefer, the answer is, a representative and democratic one. They choose an independent legislature and judiciary, a free press, regular elections, human rights, and a military that is subordinated to civilian authority. These responses lend support to the oft-repeated arguments that democracy is not an alien concept in Latin America, that Latin Americans are not “natural” authoritarians, and that the political arrangements Latin Americans prefer are much like those found in the United States.²

However, if one probes more deeply, Latin American attitudes about democracy become more ambiguous. Thus, while most Latin Americans favor democracy, they also favor a strong executive, which may come at the expense of an independent legislature and judiciary. Examples, most prominently, include Peru’s Alberto Fujimori and Venezuela’s Hugo Chávez, both of whom were elected democratically but then proved to be autocratic leaders even while maintaining for a long time widespread popular support. There is also considerable sympathy throughout Latin America in situations of crisis for limiting press freedom and other basic rights—what Brian Loveman has famously called “regimes of exception.”³ The armed forces are still widely believed to have a special role in preserving national unity or stepping into politics if the civilian institutions and leaders fail. Group, social, and corporate rights—at the heart of the argument in this book—still often take precedence over individual rights. None of these features and practices would be considered legitimate in a well-institutionalized democracy.

The reasons for Latin America’s ambivalence about democracy are not difficult to fathom for those familiar with the history and sociology of the area. Educational and literacy levels are low; institutions and the state are weak; distances and geographic barriers are large; economies are underdeveloped; class and social gaps are vast; there is much disorganization; leadership is thin; there is a certain degree of what the Latin Americans call *falta de civilización*, meaning the absence of well-functioning organizational and institutional infrastructure. Given these weaknesses, which have not been overcome by the recent holding of democratic elections and the writing of new constitutions, it should not be surprising that, while Latin America prefers democracy, it also believes democracy does not always work very well in their context and that strong, authoritative government may, under some circumstances, be preferred. The sentiment is widespread throughout Latin America, (and not just expressed by authoritarian regimes) that, although democracy works well in North

America and western Europe, it does not function adequately in Latin America, given its underdevelopment and weak institutions; particularly in times of crisis and threatened breakdown—as in Argentina, Colombia, Venezuela, Ecuador, Bolivia, Peru, Paraguay, and many other countries—some think that a firm hand at the rudder of the ship of state may still be necessary.

While in the 1980s and early 1990s, reflecting the fact that much of Latin America had just emerged from discredited authoritarianism, support for democracy was up around 80, 85, or even 90 percent, by 2000 that support had dwindled precariously. In most countries it was down in the 60–65 percent range; in others it was between 50 and 60 percent; in still others it had dropped below 50 percent; and in a handful (Brazil, Paraguay) it was below 40 percent. Much of this decline in support for democracy stemmed from disillusionment, as people perceived that democracy had failed to deliver on its promises, that economic and social conditions were getting worse rather than better, that democracy was corrupt or ineffective or both, that it wasn't working. Accompanying the decline in support for democracy was a rising tide of sentiment in favor of strong, effective, authoritative government. In some countries, support for “strong government”—an authoritarian “out”—was stronger than that for democracy.⁴ If one favors democracy, these trends are exceedingly ominous.

Not only has support for democracy declined precariously but support for what we usually think of as democracy's essential supporting institutions is weaker still. Legislatures, political parties, government agencies, labor unions—all part of a functioning pluralist democracy—are all in disrepute, with support for them down in the 20-percent range or lower. In quite a number of countries the percentage of those who think “the president is doing a good job” or “the country is heading in the right direction”—survey questions familiar also in American opinion polls—is below 10 percent. How long democracy can survive when support for it as a basic system of government falls below 50 percent, when support for its essential pluralist basis is only 20 percent, and when elected presidents have less than 10 percent popular approval is difficult to predict.

Several things are happening here. First, while the opinion surveys show declining support for democracy—and that is certainly worrisome—I suspect that what these surveys really show is a yearning for good, effective government, government that delivers, government that

solves problems, rather than a thoroughgoing disillusionment with democracy per se. Second, while Latin America now increasingly prefers “strong government,” I think that again means that people want effective government and not that they really want to go back to the bad old ways of authoritarianism. Third, even granting these more optimistic interpretations, it is clear that the recent transitions to democracy in Latin America were far less complete and all-encompassing than the early literature suggested. Many legacies of the past, including notions of a strong state, a mercantilist state, an authoritative if not authoritarian state, an organic and frequently corporatist conception of society, remained.

In many countries the laws and constitutions changed to democracy, but the underlying operating principles continued to function in the old way, or else, as one of my sources in Brazil put it, the laws changed to democracy and free association but the implementing legislation was never passed to put the grand-sounding constitutional measures into practice. Whatever the causes, which are explored in more detail in the following pages, we now know—and should have known all along—that the transitions to democracy in Latin America were generally far less than complete, that many legacies of the past remained, often hidden from sight and lurking just below the surface, and that now these hidden currents, sometimes virulent in form, are surfacing once again, perhaps threatening democracy in some cases but also perhaps forcing Latin America to redefine its democracies, which often occupy the space, at various gradations, somewhere in between liberalism and authoritarianism.

Let us now review what our authors have to say on these subjects.

Summing Up

In the introduction to this book as well as in memoranda, we asked our contributing authors to consider in their respective chapters the persistence of authoritarian and corporatist practices and institutions, whether these have been supplanted by liberalism and democracy or no, what kind of balances and fusions exist between authoritarianism or corporatism and democracy, whether corporatism and authoritarianism now appear in new forms or new locations (national, regional, local), and whether some of the new grassroots organizations in Latin America or the new public-private relationships that have emerged in recent years are also corporatist in form and essence.

In David Scott Palmer's chapter on Peru, we learn that democracy and the processes of democratization have been the dominant paradigm over the last twenty-five years. But Palmer says, "Whoa, not so fast": not only is democracy still incomplete but, the reverse side of that coin, corporatism and authoritarianism have been remarkably persistent, particularly in the regime of President Alberto Fujimori but continuing under the present government as well. Moreover, Palmer asks, why should we be surprised by that?

Palmer argues that, whether we accept the cultural or the institutional definition and bases of corporatism and authoritarianism, or some combination of both of these approaches, we get the same results—persistent, continuing corporatist and authoritarian institutions and practices. In the Peru case, the old regime of *criollo* politics has been thoroughly discredited. In the 1960s and 1970s that meant a reform-oriented but corporatist-authoritarian regime; in the 1990s, with the political parties now also thoroughly discredited, it meant the elected but still autocratic regime of Fujimori. The discrediting and collapse of the old regime in Peru, in other words, led not to liberal democracy but to a corporatist, top-down system with the democratic trappings of regular elections. Moreover, in the growth of new grassroots nongovernmental organizations (NGOs) in the Peruvian countryside in recent years, Palmer finds a renewal of corporatism and, frequently, authoritarianism at the local and regional level even while they persist at the national level. This, Palmer says, is the real problem of democracy in Latin America and why democracy throughout the region is so limited and often illiberal.

Chile is, along with Costa Rica and Uruguay, one of the three countries in Latin America that are usually considered so thoroughly liberal and democratic as to be free from authoritarianism and corporatism. This view is often propagated by those who have a vested interest, or perhaps the wish to present Chile as more thoroughly democratic than it actually is. But Brian Loveman's important contribution to this book offers a valuable corrective to that view. First, he offers an historical analysis of persistent authoritarianism and corporatism in Chilean politics over time. Second, he presents a description of corporatist "workhorse" policymaking agencies which consisted of overlapping and interlinked networks of employer, professional, and, eventually, working-class organizations. Third, he presents a model of the Chilean political system combining authoritarianism and liberalism, Iberian and Catholic institutions, corporatism and nationalism into an amalgam termed "restricted democracy."

Under Augusto Pinochet, of course, Chile was both corporatist *and* authoritarian, with the armed forces, the Church, landowners, mining and industrial interests, producer groups, and many professional organizations enhancing their corporate interests, while organized labor lost ground as a result both of the regime's repressive policies and of the changing nature of Chile's economy. But even as Chile transitioned to democracy in the 1990s, its constitution as well as its political practice continued many authoritarian and corporatist features, and the social foundation and political support for these nondemocratic features remained significant. Loveman concludes that Chile remains a mixed system, liberal and democratic on the one hand, corporatist and authoritarian on the other, and that it will remain an amalgam of what he calls "authoritarian liberalism," Hispanic capitalism, democracy with adjectives, corporatism, and nationalism—full of internal contradictions but also familiar to generations of Chileans.

Venezuela is another country that, until recently, was considered thoroughly democratic and pluralist. Its seemingly definitive breakthrough to democracy came as early as 1958 with the ouster of dictator Marcos Pérez Jiménez; it was, along with Colombia and Costa Rica, one of only three Latin American countries that did not experience an authoritarian interlude in the 1960s and 1970s; and in many analyses it appeared to be a well-institutionalized and consolidated democracy. But in David Myers's analysis, while Venezuela was democratic on the surface and in the electoral arena, it often practiced corporatism and authoritarianism underneath and in other arenas. Its labor and industrial relations systems were dominated by corporatism, special favoritism, and corruption; the political parties, though competitive and "democratic," were organized internally on a sectoral and corporatist basis; and though elections were held regularly, they served as an opportunity for the parties and corporatist groups to hive off whole sections of the bureaucracy and public policy for private patronage and corruption purposes.

Populist president Hugo Chávez vowed to end these practices, and certainly he has destroyed the old party system. But he also rules in an autocratic if not authoritarian manner; his hero is Bolívar, who despaired of Latin American democracy and advocated an all-powerful presidency; his inspiration is Rousseau, who similarly favored centralization and integralism while disparaging pluralist civil society; and he has taken numerous steps to reduce the power of an independent congress and judiciary. Like Fujimori in Peru, Chávez practices electoral democracy but not

liberal democracy, corporatism (though now of new groups) rather than genuine pluralism, and autocracy over checks and balances. As Myers concludes, Venezuela practiced corporatism not through authoritarianism, at least since 1958, but under democracy, through the party system, which over the long term proved to be remarkably corrupt, divisive, and ultimately disintegrative. It is this "broken" political system that Chávez sought to correct through his Bolivarian Revolution but may have only worsened through autocracy and further polarization.

When we analyze Colombia, a different perspective is required. Harvey F. Kline argues that Colombia is *not* very corporatist or authoritarian. True, there are corporatist influences in the labor code and labor relations system; as a very Catholic, elite-directed, and conservative society, Colombia has been susceptible to corporatist political influences; the social security and social welfare systems are often based on a corporatist or sectoral basis; and the bureaucracy is often permeated with corporatist interest influences. But Kline maintains that these are minority strains within the Colombian system and that the dominant strain has long been liberal (albeit limited), pluralist (though restricted), and democratic (however imperfect and with other adjectives). This position is in keeping with Kline's long-held view that Colombia, at least since the 1950s, has experienced none of the main paradigms dominant in the Latin American studies field—not corporatism or dependency or authoritarianism or imperialism or (without authoritarianism) a transition to democracy. Instead he sees Colombia as a basically liberal polity, flawed and in crisis, to be sure, but nevertheless, at least in aspiration if not always in fact, democratic and pluralist.

Kline's perspective is a useful one in terms of the overall argument of the book. For our perspective here is that the Latin American polities are *both* corporatist and pluralist, both illiberal and liberal, both democratic and something less than that, in various, often overlapping mixes. The issue is, therefore, often one of interpretation as well as fact, of whether one's perception is of the glass half full or the glass half empty. Thus, while Kline's perspective is to deemphasize the corporatist and authoritarian influences in the Colombian polity, other scholars would dispute that position and come down on the other side. But the same arguments in reverse apply to Chile: while our author Loveman emphasizes Chile's authoritarian and corporatist heritage, other scholars stress its democratic and pluralist legacy. As they say in Washington, where you stand on these

issues depends on where you sit or, what amounts to the same thing, on your political position. Nevertheless, it is indubitably true that the Latin American political systems are mixes of these contending paradigms and institutional arrangements, and scholars can honestly disagree over what precise emphasis they assign to each.

Argentina presents us with another complex case. Linda Chen suggests that there is a history and culture of corporatism in Argentina, but her main focus is the modern institutional relations of organized labor to the state. Under Juan Perón, Argentina practiced a form of inclusionary corporatism wherein labor acquired considerable economic and political power for the first time, even while its autonomy became increasingly proscribed by the state. In contrast, the several military regimes that ruled Argentina from 1967 to 1983 practiced an exclusionary corporatism that sought to atomize the labor movement by stripping it of its rights and prerogatives and by marginalizing it from political power. At the same time, the military regime sought to strengthen its control over labor so that corporatist control mechanisms remained in place.

Chen goes on to trace labor's role in the transition to democracy, the persistence of corporatism under the democratic regime of Raúl Alfonsín, and the attacks on statism and corporatism by his successor, Carlos Menem. She concludes that, while corporatist practices and institutions have declined in Argentina, it would be premature to sound their death knell. She points to the manifest failures of the neoliberal model as applied to Argentina, as well as the fact that virtually all groups continue, corporatist-style, to look to the state for guidance, recognition, patronage, and entitlements. Finally, she suggests the need for a new model based on the frank recognition of a strong state tradition and a type of reformed, inclusionary neocorporatism.

Along with Argentina, Brazil is one of the classic cases of Latin American corporatism. Its corporatism also has historic, cultural, and religious roots, but the modern forms of corporatism, authoritarianism, and statism date to the regime of Getúlio Vargas in the 1930s. In the analysis of Timothy J. Power and Mahrugh Doctor, corporatism and statism were introduced by Vargas, flourished in the democratic regime that followed from 1946 to 1964, and were maintained throughout the military-authoritarian regime of 1964–85 and beyond. The political liberalization after 1974 and especially democratization after 1985 were characterized not so much by a weakening of corporatism—although some of the for-

mal structures of corporatism were abolished—as by an attempt at “flexibilizing” the rigidities of the older system and adapting the old Vargas-era structures to new social, political, and economic conditions. In their analysis Power and Doctor echo Palmer and virtually all our authors in stressing (1) the persistence of corporatism, authoritarianism, and statism, even under new democratic regimes, and (2) the need, therefore, to disassociate corporatism from authoritarianism by recognizing that corporatism may exist in many different forms, both authoritarian and democratic.

Power and Doctor go on to argue that, while in 1946 and again in 1985 Brazilian political and economic elites saw the need to move away from authoritarianism and toward democracy, they saw no concomitant need to abolish the corporatist legacy. Hence, while they abolished some of the older and now inconvenient labor laws and institutions, they felt little pressure to alter in their fundamentals the ongoing paternalistic, top-down, and statist corporatist control mechanisms, since this system continued to offer them great personal and collective benefits. Indeed, in many respects the older corporatism was now extended to encompass such new social groups as peasants, domestics, indigenous persons, and women. Nevertheless Power and Doctor conclude that changing economic, social, and globalizing forces may undermine purely domestic corporatism in the long run even while it persists in the short run and, like Madonna or Bill Clinton, continues to reinvent itself in new forms.

Mexico is a case par excellence of a corporatist *and* an authoritarian regime. And, as with the other countries here surveyed, this has both historical and cultural roots and a modern, manifest, institutional form. In the Mexican case, modern corporatism was mainly located in the pillared structure of the Revolutionary Institutional Party (PRI) with its peasant, labor, and popular sectors. As George Grayson's chapter makes clear, Mexico's adoption of an import-substitution industrialization (ISI) economic strategy in the 1940s, as elsewhere in Latin America, both powered economic development and strengthened corporatism within the overall system.

Beginning in the 1970s, pressures for liberalization in Mexico accelerated in both the economic and political sense. Economically that meant a freeing up of the economy to replace statism with open markets; politically it meant liberalization, democratization, and the emergence of new groups and NGOs independent from the state. The process was gradual;

in 2000 the opposition National Action Party (PAN) defeated the PRI for the first time to capture the presidency, and opposition candidate Vicente Fox, in Grayson's words, "excoriated corporatism with all the zeal of a Bible-pounding evangelist assaulting Satan." Yet coming himself out of a Catholic political tradition, Fox also harbors strong corporatist beliefs. There are, of course, new arenas of politics—genuine democratic elections, a host of new NGOs, a variety of other political associations seeking to inherit the power, patronage, and perks of the older corporatist groups—and yet Grayson reminds us that, though the electoral process has changed dramatically, governance still largely operates under the old rules of the game. Neither party-based organizations, NGOs, new labor groups, nor Church-affiliated activism have as yet replaced the older corporatist structures which, albeit in weakened form, continue to occupy critical political space. The result is a hodgepodge in which democracy, democratic groups, and pluralism have emerged but not yet definitively triumphed, while corporatism and corporatist groups continue to hang on.

Our chapter on Central America points to many of the same conclusions. Steve Ropp's analysis shows, first, that, though democratic government has grown in the region in the past several decades, there are many lingering manifestations of authoritarianism and corporatism. Second, he says that the main reason for the inattention to this continuing corporatism phenomenon is the dominance of the transition-to-democracy paradigm, which either neglects corporatism or sees it as falling in the domain of outmoded ideas useful only for explaining disappearing practices.

Nothing could be farther from the truth. While the various governments of Central America are, at least at the electoral level, genuinely more democratic today, they continue to operate at the level of regime within a structural framework that is at least quasi- and often fully corporate in nature. Panama and Nicaragua have constitutions that are explicitly corporatist and require comprehensive licensing by the government (awarding of "juridical personality") to all groups within civil society. El Salvador and Honduras have constitutions that are more implicitly corporatist and/or establish mixed regimes that are more narrowly corporatist. In these two countries, constitutional grants of juridical personality to specific groups—the Church, the army—imply that all other groups must similarly seek official recognition if they wish to participate legitimately in the political process. Finally, Guatemala and Costa Rica have less corpo-

ratist constitutions, although other features of the Guatemalan political system suggest the country is not fully democratic. And even in Costa Rica, consistently judged in various surveys to be the most democratic of the Latin American countries,⁵ Ropp finds a surprising amount of corporatism and even authoritarianism.

Professor Ropp goes on to show how governments in the region continue to use corporatist mechanisms to limit, restrict, license, and control the variety of new social movements, community-based groups, peasant and indigenous movements, and NGOs that have sprung up in recent decades. "Central American governments [use] the process of legal recognition, as well as the threat of its revocation, as a way of disciplining new social movements and their allies within the broader global community."

Scholars and public officials alike, he says, have been blind to these continuing corporatist, statist, and even authoritarian features of Central American/Latin American political life because they have been mesmerized by the democratic breakthroughs and possibilities of the last twenty years. He argues that the "democracy paradigm," a product of the end of the Cold War and the euphoria that ensued, has kept us from seeing those features of the region that are un-, semi-, or even antidemocratic. Because the democratization paradigm is unidirectional and teleological—suggesting that there is a political endpoint called "democratic consolidation"—it focuses on only some aspects of the political process and not those that are less than democratic. Ropp argues that therefore we have not only lost sight of the power and lasting capacity of corporatism, authoritarianism, elitism, and statism in Latin America but we have also elevated democratization to a complete and all-inclusive explanatory paradigm that takes account of only part, not all, of what is occurring in the region. In short, the main paradigms used in both academic analyses and policy—democratization, open markets, state downsizing, free associability—have lost sight of some of the main realities of the area.

Research Frontiers

Let us not go too far with this analysis. Obviously, Latin America has democratized a great deal in the last twenty-five years. Everyone agrees that the human rights situation is considerably better in almost all countries than it was under military authoritarianism. Most countries are considerably "freer" now than they were then. Almost all Latin American

countries are now more pluralist than they were two to three decades ago. The press is freer; there is greater freedom of religion; the rights of free speech, assembly, and petition are more strongly guaranteed; and practices of torture and other abuses are considerably down. Even the Latin American left, which has long denounced democracy as a sham, now agrees that even "formal democracy" is better than no democracy at all.

No one doubts there has been democratic progress in Latin America. That is not the issue. The question is: Is that a full, complete, and all-inclusive explanation of recent Latin American development? And to that question, the answer is, obviously, no. A lot is going on in the area that is not specifically democratic, that may be un- or even antidemocratic. We should not allow our wishes and hopes for the area—democracy, pluralism, human rights, free markets—to run too far ahead of the hard realities. Among those hard realities is the fact that corporatism and authoritarianism have long histories in the area, that they have continued and persisted into this modern and more democratic era, and that in dealing with new groups and contingencies they have often been resurrected to enjoy a new lease on life.

It is clear that, while democracy has grown in Latin America over the last quarter century, the "old regime" of corporatism, organicism, paternalism, authoritarianism, elitism, patrimonialism, and statism is still alive and well throughout the area. These features may have become somewhat less influential over time—though even that is controversial in some quarters and in some countries—but they have by no means disappeared, and in some areas they are undergoing a resurgence. We may not like these uncomfortable facts politically, intellectually, or from a policy viewpoint, but we had better deal with them realistically.

Corporatism in Latin America seems still to be especially prevalent in the realms of labor and industrial relations, the relations of such traditional groups as the Church or the army to the state, and in social security and social welfare legislation where the awarding of benefits is still largely on the basis of occupational categories. Corporatism is especially present in the numerous arenas of state-society relations (students, workers, businessmen, farmers), in the implementation of public policy (still largely defined in terms of corporate sectors of the population), and, through the requirements of seeking and obtaining juridical personality, in the admission of new groups (peasants, indigenous, domestics, women) to the political process. Corporatism may be present in the system of representa-

tion—for example, even in democratic Chile some seats in the Senate are still reserved for military officers as a functional category—or in functionally representative councils of state. But more than these institutional and political-process influences, corporatism may also be present in a whole way of thinking—political culture—that emphasizes group rights over individual rights, statism over *laissez faire*, order and authority over freedom.

At the same time, we must remember that no country in Latin America is completely corporatist. All exhibit mixed features—often distinct and sometimes dysfunctional blends of corporatism and liberalism, statism and a weak or ineffective state, authoritarianism and democracy. Feudalism, capitalism, and socialism or social democracy may all be present at the same time; similarly, at the political level, corporatism, democracy, authoritarianism, and free associability may all coexist within one crazy-quilt political system. And, just as various contradictory tendencies may all be present at the same time, so we require diverse explanations to deal with this complex reality. No one paradigm explains all.

The first step is to recognize that these are mixed, complex, overlapping systems. The models we use to interpret Latin America must reflect this complex reality. Otherwise, we miss much of the functioning, political processes, and dynamics of the area. No one model can capture all this complexity. Where the transitions-to-democracy paradigm is useful, by all means let us use it. But where, as in the examples listed, the corporatist model is useful, let us use that. Or, depending on the issue or institution being analyzed, we may need to use both models in combination. Such choices in the use of models need to be pragmatic rather than politically or ideologically driven.

Second, we need to disaggregate our terms. For a long time authoritarianism and corporatism in Latin America were closely associated; indeed, the title of the path-breaking Malloy book implies a linking of the two. Presumably, then, once democracy replaced authoritarianism in Latin America, corporatism would also wither away and disappear. But that has not happened. Democracy has emerged, but corporatism is still strongly present. Without exception, our contributing authors recognize this point, that corporatism may exist in either authoritarian or democratic regimes, and also (perhaps especially?) in mixed or transitional regimes. The literature on corporatism recognized right from the beginning that there may be open or closed forms of corporatism, state or societal forms,

authoritarian or democratic varieties. Certainly the European literature on corporatism has long recognized this distinction, that corporatism, in its neocorporatist forms, may be present in a social-democratic Sweden or Austria as much as in its statist and authoritarian forms in Franco's Spain or Salazar's Portugal. But in Latin America this recognition has been slow to sink in, perhaps because the era of authoritarianism and corporatism is still too close to us and we *want* it to go away in all its aspects, or perhaps because of the dominance recently of the democracy paradigm. But our contributors suggest not only that corporatism is still useful even in this democratic era for understanding many aspects of Latin America, but also that in neocorporatism we have a viable model, alternative to the neoliberal one, that might still serve the countries of the area well in bridging between old and new, traditional and modern, authoritarian and democratic.

The third suggestion that we need to keep in mind is that the relations between democracy and authoritarianism, pluralism and corporatism are dynamic and ever changing. Among the forces supporting authoritarianism and corporatism in Latin America are illiteracy, poverty, the traditional landholding system, a rigid and two-class social system, isolation, traditional religious beliefs and orthodoxy, and underdevelopment. In contrast, among the forces supporting democracy and pluralism are rising literacy, economic development and modernization, urbanization and industrialization, social change, globalization, modern communication, and greater integration. The relations, we have already seen, are not one-to-one; on the other hand, the kind of traditional, old-fashioned, often quasi-feudal corporatism and semidemocratic political systems that many Latin American countries still have are easier to maintain in a traditional, closed, "sleepy," semifeudal society than in a dynamic, change-oriented, modernizing one. In addition, we know that education, modernization, globalization, rapid social change, and the internationalization of capital, markets, and labor are all forces that tend to break down traditional corporatism and authoritarianism, and pave the way or provide the societal prerequisites for democracy and pluralism.

So what, then, are the research frontiers, the exciting new research terrains on which scholarship ought to be focused? Herewith a few suggestions that emerge from the analyses in this book:

1. Despite privatization and neoliberalism, the state in most Latin American countries remains a controlling, directing, licensing

"mercantilist" state, in aspiration if not always in fact. In contrast to a laissez-faire state, the Latin American state seeks to direct and control many facets not only of the economy but of the political system as well.

2. Through its power to grant or withhold legal recognition of a group ("juridical personality"), the state seeks to control and manage the process by which new social forces are admitted to the system. In the past, these efforts were mainly concentrated on the emerging labor movement—and it is in that context that modern corporatism was formed—but the same corporatist controls are now often applied to peasants, the indigenous, women, and domestics.

3. However, in the present context of democracy and pressures for free associability, it is harder to maintain these controls, so we often get mixed systems of both pluralism and corporatism.

4. Authoritarianism has been vanquished in its older, dictatorial forms, but it has reappeared in new, often populist forms in Fujimori's Peru, Chávez's Venezuela, and other countries. Many Latin American countries exhibit varying mixes of democracy and authoritarianism, or practice forms of limited, controlled, illiberal, or delegative democracy—no longer fully authoritarian but not fully democratic either. The models we use to interpret these phenomena must also reflect this mixed, hybrid complexity.

5. Much of the older, formal system of corporatism has been banished from the laws and constitutions of Latin America. That has often led us to believe, mistakenly, that corporatism has been abolished entirely and that democracy has triumphed. But in many countries, among them Brazil, the enabling legislation to implement the constitutional precepts was never passed or remains underdeveloped, with the result that many aspects of corporatism still are present in the labor courts, the labor ministry, and employer-employee relations. Or else, as in Mexico, even though corporatism was formally abolished in law, no new rules have been adopted to replace it, leaving its practice to continue unabated or only partially abated.

6. One of the important findings emerging from this book is that, while corporatism has been formally abolished at the national level, its important functions of group or mass control continue often to

be practiced at the regional, state, or local level. There, authorities are forcing new social groups, including often international NGOs, to register, submit their membership lists, show their funding sources, demonstrate their bona fides, and thereby gain legal recognition for the group's activities. A whole new research frontier thus opens up at the local level. At the same time, and equally interesting, it is inherently more difficult for these authorities to force international NGOs than local groups to register, be licensed, and so on, which opens another arena of tension and give-and-take.

7. A number of our authors have been fascinated by the new wave of public-private "partnerships" in Latin America in such important public policy areas as education, health care, energy supply, and privatization. Many of these partnerships involved local agencies operating in alliance with international providers. Will these new arrangements serve to undermine corporatism still more, or are these new "partnerships" merely a new name for an older corporatism?

8. As many new and liberal groups formed on the basis of free associability have emerged in Latin America, they have often come in conflict, in countries such as Brazil, Peru, or Mexico, with the older, official, or corporatist groups—labor unions, peasant associations, middle-class professional groups, business groups or *gremios*. These groups tend to compete with each other for access to patronage, jobs, official favoritism, and state funds and agencies—and, under the new rules of democracy, to recast themselves as no longer corporatist but democratic groups, and to throw in their lots with competing political parties as well.

9. Several of our authors remain fascinated by the degree to which the historical rules of repression/co-optation of the corporatist model are now being applied to the new social forces: women's groups, indigenous movements, peasants, domestics. There is debate as to whether these new groups are being organized and integrated into the political process on the basis of democracy and pluralism, or of corporatism. The answer is, in most countries, both—and that involves still more subjects for investigation. Our studies show that in most countries there are both corporatist and democratic groups for each of these social sectors, often vying with each other as well as for access to state resources and favors. These

political and/or ideological differences among competing groups tend to divide and weaken the groups involved and lessen their influence and effectiveness.

10. In Western Europe the transition after authoritarian or state corporatism was to neo- or societal corporatism, but in Latin America, with the possible and partial exception of Chile, that has not happened. We surmise that among the reasons for not taking that step are a lack of knowledge in Latin America of the European literature and experience on this process, the thorough discrediting in Latin America of corporatism in all forms because of its close association with military rule, Latin America's own strong commitment to democracy including free associability, and heavy-handed American influence in the region committed strongly to U.S.-style pluralism and democracy, and certainly not to corporatism in its "neo" or any other form.

But is, or was, this a mistake? After all, corporatism has long been a part of the Latin American political tradition and institutional arrangements; it serves as a convenient transition or halfway house between traditional authoritarianism and modern democracy; in its newer "neo" and Christian-democratic manifestations, it is both reflective of Latin American political culture and not incompatible with progressive social democracy; it reflects the western European strong state and state-society tradition to which much of Latin America may be closer than it is to the U.S. liberal model; *and* it provides a viable alternative to neoliberalism for which, in the present context of despair, economic downturn, and shaky, uncertain democracy, Latin America has been searching.

So did Latin America make a fundamental mistake in the 1980s by rejecting and repudiating all forms of corporatism, including its European social and neocorporatist forms? And did U.S. scholars and policymakers aid and abet in this fundamental "systems" mistake through a lack of knowledge of or antipathy toward the neocorporatist alternative, and by insistence on U.S.-style or *laissez-faire* democracy as "the only game in town"? Probably, in my view. In any case, the subject once again merits a number of doctoral dissertations.

11. Corporatism also exists at the international level in Latin America through such agencies as NAFTA or MERCOSUR, which

often incorporate corporate representation from their member states in their regulatory boards and agencies. Such international corporate representation has not reached the level in Latin America that it has in the European Union; so far it remains wholly unstudied.

Policy Implications

This is not a book primarily about foreign policy.⁶ Rather, it concentrates on the domestic bases of Latin American politics and the changes under way. Nevertheless, the implications of this study for U.S. foreign policy are so powerful that they merit brief mention here.

First, it seems to us that the democracy paradigm for Latin America has been way overstated. Latin America cannot possibly live up to the high expectations raised. We *wish* that a pure and pristine, well-institutionalized form of democracy could come to Latin America, but that seems unlikely. The region lacks a firm, well-established and consolidated social, economic, historical, institutional, and, dare we say it, a strong political-cultural basis for democracy. Its underdevelopment is great; its social and racial gaps are wide; and its institutional base is weak. We (and this includes American scholars and policymakers) have raised such elevated expectations for the area that they cannot be realized, and in recent years as Latin America's support for democracy has waned and sentiment in favor of strong government waxed, we have seen those high hopes coming crashing back to earth in a flurry of economic failures, coups and attempted coups, societal fragmentation, and widening ungovernability. When we say, "Nineteen of the twenty countries are democratic," that should be viewed as a political statement rather than a reflection of Latin American realities. The actual accomplishments, while frequently impressive in many countries as steps *toward* democracy, are considerably less than the claims made.

Not only have we overstated the triumph of democracy but, second, we have woefully understated the persistence and continuity of authoritarianism, corporatism, and other not-particularly-attractive features from the Latin American past. This book makes clear that corporatism is not just some residual institution, bound to disappear as Latin America develops and democratizes. Rather, it represents an alternative model of social and political organization, competitive with democracy at some levels and

overlapping with it in various ways. It may have been weakened in some particulars by the march of modernization, globalization, and democratization, but it was by no means destroyed by them and is even enjoying something of a renaissance in the present circumstances. Corporatism does not monopolize all of Latin American sociopolitical life, but it is a powerful force, dominant in some areas of national life and probably having an institutional base as strong as democracy itself. The image we have of Latin American political life is of *two* dominant power structures or pyramids of power. The one is democratic and includes elections, constitutions, political parties (themselves also discredited throughout Latin America), and basic human rights; the other is corporatist, governing labor and industrial relations, many areas of state-society relations, numerous arenas of public policy, much of the state and bureaucratic structure, and the *in*-corporation of new groups into the political process. An interesting question, worthy of much future research, is whether these two "pyramids of power" ever meet, how and where they overlap, which is dominant and in what arenas, and whether they will continue to coexist in the present uneasy and often conflictual relationship.

Our third conclusion is specifically directed toward U.S. foreign policy. If democracy is in bad trouble in Latin America and, as we have argued, corporatism, statism, and other not-so-attractive features are alive, well, and perhaps undergoing revival, then U.S. policy may require adjustments. In the long run U.S. policy has to be based on realism and reality; it cannot be based entirely on wishful thinking, however noble that thinking may be. So if Latin America is somewhat less than democratic, we may have to adapt to that fact. Does this mean, for example, that we need to tone down the rhetoric about Latin America's democratic accomplishments, about the possibilities for open markets and free trade? Does it mean we adjust our expectations, in a context of continuing corporatism, about our ability to create civil society in Latin America? Does it mean that we be prepared to accommodate the less-than-democratic Fujimoris or Chávezes of the Latin American world, accepting them as elected leaders and as reflections of their own countries' wishes even if not conforming to U.S. democratic expectations? Does it mean that we use the democracy-open markets-free trade-civil society rhetoric mainly as a goal and aspiration but be prepared pragmatically to accept solutions that fall somewhat short of democracy? These are all very controversial propositions and are seldom, if ever, expressed publicly in the policy arena. But in

fact, I would argue, U.S. policy makes these compromises virtually every day, continuing to stand tall and strong for democracy rhetorically and in public but in private being willing to adjust to less-than-fully-democratic outcomes. Moreover, I would argue that in difficult cases like Argentina, Ecuador, Paraguay, Peru, and the Dominican Republic—all of which have recently had nondemocratic or not-very-democratic changes of government and been the focus of difficult policy choices—such a pragmatic policy on the part of the U.S. may be the only reasonable and workable one.

Finally, let us return to the neocorporatism theme. In the enthusiasm of U.S. policymakers over Latin America's headlong rush to democracy, we have hastened to embrace the transition-to-democracy and neoliberal paradigms and policy goals. The dominant paradigm in the academic field, the transitions-to-democracy approach, also saw democracy, U.S.-style, as "the only game in town." But was that a too-hasty and perhaps overly optimistic embrace? As one Latin American ambassador to the U.S. told me, full democracy and the free-market, laissez-faire agenda may be "too rich" for Latin America to absorb, certainly all at once. Would not some form of social or democratic corporatism, or neocorporatism in the European fashion, have been a better policy choice, a transitional stage on the route to full democracy, pluralism, and free associability that would have assisted Latin America in navigating this difficult passageway? Democratic corporatism would also have had the advantage of being truer to Latin American history, institutions, and political culture than is either a fully laissez-faire economy or a political regime of completely unfettered interest-group activity.

Alas, that possibility was ruled out; in most countries it was never even considered. Corporatism was ruled out in Latin America because of its close association with the now-despised former military regimes; and it was ruled out in U.S. policy both because of our association, quite inaccurate, of corporatism with hated fascism and also because of the near-universal belief in the U.S. that *our* form of democracy is the best and most appropriate for all countries at all times, certainly including Latin America. It may be that these mutually reinforcing beliefs caused the one path that might have led to a viable, stable, *and* democratic Latin America—the neocorporatist one—to be ruled out, to the disadvantage of both Latin America and U.S. policy there.

Notes

1. Howard J. Wiarda and Harvey F. Kline, eds., *Latin American Politics and Development*, 5th ed. (Boulder: Westview Press, 2000).
2. The arguments are probed more deeply in Howard J. Wiarda, *The Democratic Revolution in Latin America* (New York: Holmes and Meier, 1990).
3. In chapter 5 of this volume; see also his *The Constitution of Tyranny: Regimes of Exception in Spanish America* (Pittsburgh: University of Pittsburgh Press, 1993).
4. For the data, we rely on the Latinobarómetro surveys. The literature and data are reviewed in Howard J. Wiarda, *The Soul of Latin America: The Cultural and Political Tradition* (New Haven: Yale University Press, 2001), chaps. 11–12.
5. Philip Kelly, ed., *Assessing Democracy in Latin America* (Boulder: Westview Press, 1988).
6. The foreign policy implications of some of the findings of this volume are explored in Wiarda, *The Soul of Latin America* and *Cracks in the Consensus: Debating the Democracy Agenda in U.S. Foreign Policy* (Westport, Conn.: Praeger/CSIS, 1997).

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